



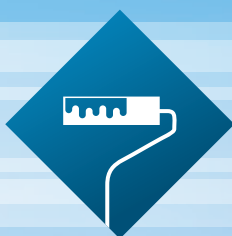
中遠海運國際(香港)有限公司

COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

(Incorporated in Bermuda with limited liability)

Stock Code : 00517

ANNUAL REPORT
2025



Intelligence Enabling a Green Maritime Future





Corporate Profile

COSCO SHIPPING International is a company listed on the Main Board of the Stock Exchange (stock code 00517). The Company is a subsidiary of COSCO SHIPPING (Hong Kong), which is a wholly-owned subsidiary of COSCO SHIPPING.

COSCO SHIPPING International aims to provide global customers with green, low-carbon and digital intelligent solutions throughout the ship's full life cycle. Focusing on the two development pathways of green and low-carbon as well as digital intelligence, the Group actively explores the practical paths to cultivate and develop new quality productive forces. We have established a shipping services platform that provides integrated services, such as ship trading agency, insurance brokerage, supply of marine equipment and spare parts, production and sales of coatings as well as intelligent shipping services. COSCO SHIPPING International strives to become a one-stop integrated supplier with both online and offline services to support the intelligent and digital development of the shipping industry.

In addition, we invest in the establishment of a marine green and new energy platform which serves a starting point of our strategic goal to build a green methanol supply chain, thereby expanding our business scope into the green energy industry.

Vision

COSCO SHIPPING International aims to develop a technology-based shipping services company. Revolving around the development trend of the shipping industry, we will continue to promote green, low-carbon and digital intelligent solutions throughout the ship's full life cycle, actively set out the roadmap for the development pathway of marine green and new energy with prudent planning, so as to contribute to the sustainable development of the shipping industry.

Mission

By virtue of the support and brand influence of COSCO SHIPPING, COSCO SHIPPING International gives full play to the advantages as a listed company. By securing trustworthy and mutually successful relationships with customers, investors and business partners, we will accomplish our vision and ensure sustainable development, so as to provide higher quality services to customers, offer more ideal career platform to employees, create more ample returns for the Shareholders, and make greater contribution to the community.

CONTENTS

2	Definitions and Glossary
4	Company Information
6	Corporate Structure
8	Financial Highlights
10	Chairman's Statement
16	Management Discussion and Analysis
41	Prospects
42	Profile of Directors and Senior Management
47	Corporate Governance Report
67	Investor Relations
70	Environmental, Social and Governance Report
146	Directors' Report

FINANCIAL SECTION

173	Independent Auditor's Report
178	Consolidated Statement of Financial Position
179	Consolidated Income Statement
180	Consolidated Statement of Comprehensive Income
181	Consolidated Statement of Changes in Equity
183	Consolidated Statement of Cash Flows
184	Notes to the Financial Statements
254	List of Major Properties
255	Five-Year Financial Summary

Definitions and Glossary

In this annual report, the following expressions have the following meanings under the context requires otherwise:

“associate(s)”	the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“connected person(s)”	the meaning ascribed to it in the Listing Rules;
“COSCO Kansai Companies”	COSCO Kansai (Shanghai), COSCO Kansai (Zhuhai) and COSCO Kansai Paint (Shanghai) collectively;
“COSCO Kansai Paint (Shanghai)”	中遠關西塗料(上海)有限公司(COSCO Kansai Paint (Shanghai) Co., Ltd.*), a non-wholly owned subsidiary of the Company;
“COSCO Kansai (Shanghai)”	中遠關西塗料化工(上海)有限公司 (COSCO Kansai Paint & Chemicals (Shanghai) Co., Ltd.*), a non-wholly owned subsidiary of the Company;
“COSCO Kansai (Zhuhai)”	COSCO Kansai Paint & Chemicals (Zhuhai) Co., Ltd., a non-wholly owned subsidiary of the Company;
“COSCO SHIPPING”	中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited*), a company established in the PRC and the holding company of COSCO SHIPPING (Hong Kong) and the ultimate holding company of the Company;
“COSCO SHIPPING Group”	COSCO SHIPPING, COSCO SHIPPING (Hong Kong) and their respective subsidiaries;
“COSCO SHIPPING (Hong Kong)”	COSCO SHIPPING (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and the immediate holding company of the Company and a wholly-owned subsidiary of COSCO SHIPPING;
“COSCO SHIPPING International” or “Company”	COSCO SHIPPING International (Hong Kong) Co., Ltd., the shares of which are listed on the Stock Exchange;
“COSCO SHIPPING International Trading”	中遠海運國際貿易有限公司 (COSCO SHIPPING International Trading Company Limited*), a wholly-owned subsidiary of the Company;
“COSCO SHIPPING Technology”	中遠海運科技股份有限公司 (COSCO SHIPPING Technology Co., Ltd.*), a company incorporated in the PRC and an indirect non-wholly owned subsidiary of COSCO SHIPPING;
“COSCO SHIPPING Smart-Sailing”	中遠海運綠色數智船舶服務有限公司 (COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.*), a non-wholly owned subsidiary of the Company;
“DWT”	dead weight tonnage, the unit of measurement of weight capacity of vessels, which is the total weight (usually in metric tonnes) the ship can carry, including cargo, bunkers, water, stores, spares, crew, etc. at a specified draft;

* for identification purposes only

“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Helen Insurance Brokers”	Helen Insurance Brokers Limited, a wholly-owned subsidiary of the Company;
“Jotun COSCO”	Jotun COSCO Marine Coatings (HK) Limited, a joint venture of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Nasurfur Changshu”	常熟耐素生物材料科技有限公司 (Nasurfur Biomaterial Technology (Changshu) Co., Ltd.*), a joint venture of the Company;
“PRC”	the People’s Republic of China;
“Shanghai JOYFuel Green Energy”	上海吉遠綠色能源有限公司 (Shanghai JOYFuel Green Energy Co., Ltd.*), an associate of the Company;
“Share(s)”	the share(s) of HK\$0.10 each in the capital of the Company;
“Shareholders”	the holders of the Share(s) of the Company;
“Sinfeng”	Sinfeng Marine Services Pte. Ltd., a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	the meaning ascribed to it in the Listing Rules;
“United States”	the United States of America;
“Yuantong”	Yuantong Marine Service Co. Limited, a wholly-owned subsidiary of the Company; and
“Zhejiang Four Brothers Rope”	浙江四兄繩業有限公司 (Zhejiang Four Brothers Rope Co., Ltd.*), an associate of the Company.

* for identification purposes only

Company Information

DIRECTORS

Executive Directors

Mr. Zhu Changyu (*Chairman and Managing Director*)

Mr. Wang Yong

Non-executive Directors

Mr. Ma Xianghui

Ms. Zhang Xueyan

Independent Non-executive Directors

Mr. Tsui Yiu Wa, Alec

Mr. Jiang, Simon X.

Mr. Kwong Che Keung, Gordon

COMPANY SECRETARY

Ms. Chiu Shui Suet

INDEPENDENT AUDITOR

SHINEWING (HK) CPA Limited
(*Certified Public Accountants*)

LEGAL ADVISERS

Woo Kwan Lee & Lo
Sit, Fung, Kwong & Shum
Conyers Dill & Pearman

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Agricultural Bank of China Limited
Bank of Communications (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Ordinary share (Stock code: 00517)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

47th Floor, COSCO Tower
183 Queen's Road Central
Hong Kong

INVESTOR RELATIONS

Telephone : (852) 2809 7888
Facsimile : (852) 3568 4426
E-mail : ir517@coscoshipping.com
Website : hk.coscoshipping.com

FINANCIAL CALENDAR

2025 Annual General Meeting	: 30 May 2025
Announcement of 2025 Interim Results	: 27 August 2025
Special General Meeting	: 23 December 2025
Special General Meeting	: 12 March 2026
Announcement of 2025 Annual Results	: 25 March 2026
2026 Annual General Meeting	: 29 May 2026

DIVIDENDS

2025 Interim Dividend	: 33 HK cents per share
Proposed 2025 Final Dividend	: 19 HK cents per share
Proposed 2025 Special Dividend	: 10 HK cents per share
Dividends for the year 2025	: 62 HK cents per share



Corporate Structure

SHIPPING SERVICES

Ship Trading Agency Services	北京中遠海運船舶貿易有限公司 (Beijing COSCO SHIPPING Ship Trading Co., Ltd.*) 100% COSCO SHIPPING (Hong Kong) Ship Trading Company Limited 100%
Insurance Brokerage Services	COSCO SHIPPING (Hong Kong) Insurance Brokers Limited 100% 深圳中遠保險經紀有限公司 (Shenzhen COSCO Insurance Brokers Limited*) 55%
Supply of Marine Equipment and Spare Parts	Yuantong Marine Service Co. Limited 100% ^{Note 1}
Production and Sale of Coatings	COSCO Kansai Paint & Chemicals (Zhuhai) Co., Ltd. 64.71% 中遠關西塗料化工(上海)有限公司 (COSCO Kansai Paint & Chemicals (Shanghai) Co., Ltd.*) 63.07% 中遠關西塗料(上海)有限公司 (COSCO Kansai Paint (Shanghai) Co., Ltd.*) 63.07% Jotun COSCO Marine Coatings (HK) Limited 50% 常熟耐素生物材料科技有限公司 (Nasurfar Biomaterial Technology (Changshu) Co., Ltd.*) 33%
Intelligent Shipping Services	中遠海運綠色數智船舶服務有限公司 (COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.*) 51% ^{Note 1} 上海吉遠綠色能源有限公司 (Shanghai JOYFuel Green Energy Co., Ltd.) 35%

GENERAL TRADING

General Trading	中遠海運國際貿易有限公司 (COSCO SHIPPING International Trading Company Limited*) 100% 浙江四兄繩業有限公司 (Zhejiang Four Brothers Rope Co., Ltd.*) 48%
------------------------	--

Note 1

On 5 January 2026, the Company, COSCO SHIPPING Technology and COSCO SHIPPING Smart-Sailing entered into the capital increase agreement, pursuant to which the Company and COSCO SHIPPING Technology shall make additional capital contribution to COSCO SHIPPING Smart-Sailing in the following manner: (a) the Company shall transfer all its 100% equity interests in Yuantong to COSCO SHIPPING Smart-Sailing; and (b) COSCO SHIPPING Technology shall transfer the SMART SAILING Platform and make a cash contribution of RMB213,010,416 to COSCO SHIPPING Smart-Sailing. Upon completion of the capital increase of COSCO SHIPPING Smart-Sailing, the Company's equity interests in COSCO SHIPPING Smart-Sailing will increase from 51% to 80% whereas 80% of Yuantong's equity interests will indirectly be held by the Company.

Note 2

COSCO SHIPPING is the ultimate holding company of COSCO SHIPPING International.

Note 3

COSCO SHIPPING (Hong Kong) is the immediate holding company of COSCO SHIPPING International.

Note 4

To the best of the knowledge and belief of the Directors, COSCO SHIPPING (Hong Kong) held 71.70% issued share capital of the Company as at 31 December 2025.

* for identification purposes only

**COSCO
SHIPPING**^{Note 2}

**COSCO
SHIPPING
(HONG KONG)**^{Note 3}
71.70%^{Note 4}

**COSCO
SHIPPING
INTERNATIONAL**

**PUBLIC
SHAREHOLDERS**
28.30%

Financial Highlights

	2025 HK\$'000	2024 HK\$'000	Change
--	------------------	------------------	--------

ANNUAL RESULTS HIGHLIGHTS

For the year ended 31 December

Revenue	3,705,731	3,627,126	2%
Gross profit	894,526	845,569	6%
Operating profit	287,927	192,334	50%
Profit before income tax	873,300	783,882	11%
Profit attributable to equity holders	771,064	709,211	9%
Basic earnings per share (HK cents)	52.60	48.38	9%
Dividends per share (HK cents)	62 ¹	48	29%
Dividend payout ratio ² (%)	99	99	—

	2025 HK\$'000	2024 HK\$'000	Change
--	------------------	------------------	--------

BALANCE SHEET HIGHLIGHTS

As at 31 December

Total assets	9,505,783	9,333,570	2%
Total liabilities	1,237,049	1,124,231	10%
Net assets attributable to shareholders	7,941,705	7,872,586	1%
Net cash	5,816,862	5,943,477	(2%)
Net assets per share (HK\$)	5.42	5.37	1%
Net cash per share (HK\$)	3.97	4.05	(2%)
Return on total assets (%)	8.19	7.65	0.54 ppt
Return on shareholders' equity (%)	9.75	9.03	0.72 ppt

	2025	2024
--	------	------

KEY FINANCIAL RATIOS

For the year ended 31 December

Gross profit margin	24.1%	23.3%
Interest coverage	535.5 times	355.2 times
Current ratio	5.7 times	7.3 times
Quick ratio	5.3 times	6.9 times
Total liabilities/total assets	13.0%	12.0%
Total borrowings/total assets	—	—

¹ including special dividend of 10 HK cents

² excluding special dividend

	2025 HK\$'000	2024 HK\$'000	Change
SEGMENT REVENUE*			
For the year ended 31 December			
Shipping Services			
Coatings	1,633,405	1,344,147	22%
Marine equipment and spare parts	1,681,171	1,814,163	(7%)
Ship trading agency	153,719	107,053	44%
Insurance brokerage	223,469	220,994	1%
Intelligent shipping services	4,833	1,325	265%
	3,696,597	3,487,682	6%
General trading	9,134	139,444	(93%)
Total	3,705,731	3,627,126	2%

* external customers only

	2025 HK\$'000	2024 HK\$'000	Change
SEGMENT PROFIT/(LOSS) BEFORE INCOME TAX			
For the year ended 31 December			
Shipping Services			
Coatings	430,396	329,751	31%
Marine equipment and spare parts	67,755	114,114	(41%)
Ship trading agency	106,866	65,447	63%
Insurance brokerage	150,286	141,916	6%
Intelligent shipping services	(27,926)	(23,428)	19%
	727,377	627,800	16%
General trading	6,544	4,926	33%
Corporate and others	139,379	151,156	(8%)
Total	873,300	783,882	11%

Chairman's Statement



With the focus on providing integrated solutions throughout the vessel's full life cycle, we have pursued three initiatives: capital consolidation, technological integration and business collaboration, to accelerate our transformation into a world-leading provider of green, low-carbon, digital, and intelligent shipping solutions, achieving a quantum leap in our core competitiveness.

Zhu Changyu
Chairman



To all Shareholders,

On behalf of the Board of the Company, I am pleased to report to you the 2025 annual results and the future development blueprint of COSCO SHIPPING International.

In 2025, the global shipping industry faced multiple challenges, including geopolitical evolutions, restructuring of trade patterns, and green and low-carbon transition. Leveraging its strong comprehensive competitiveness, China's shipbuilding industry outperformed the global market amid headwinds, laying a solid foundation for the Company's development. By seizing market opportunities and advancing its "technology + green" dual strategy, the Group made continuous breakthroughs in its core business, and attained new height in operating performance, successfully delivering remarkable results with steady growth.

RESULTS HIGHLIGHT

In 2025, COSCO SHIPPING International achieved a steady improvement in operating results, with multiple core indicators performing well. The profit attributable to equity holders of the Company was HK\$771,064,000, and the basic and diluted earnings per share was 52.6 HK cents, both representing a year-on-year increase of 9% compared to 2024, reaching its highest level since 2011; among which, the profit before income tax from its core shipping services business increased by 16% year-on-year to HK\$727,377,000, hitting a record high. These achievements were mainly due to the stable revenue growth of the Group, the steady increase in the profit of Jotun COSCO, a joint venture, as well as the increase in net exchange gains, highlighting the remarkable effectiveness of the optimisation of the Group's business structure.

SHAREHOLDERS' RETURNS

Adhering to our Founding Mission, Enhancing Profitability and Sharing Rewards

Since its incorporation, COSCO SHIPPING International has always been adhering to its operational philosophy of maximising shareholders' returns. While deepening its focus on its core business and striving for high-quality development, the Company has continuously repayed the long-term trust and support of the shareholders with ample and stable returns, effectively unlocking and steadily enhancing its intrinsic value. Since 2020, comprehensively considering the operating environment, corporate development needs, and cash flow condition, the Group has raised the actual dividend payout ratio to nearly 100%, sharing the rewards of development with shareholders through meaningful dividend distributions.

As its profitability improves, the Group's actual amount of dividend distribution has risen consistently. The steady growth of the scale of dividend highlighted the operational stability and adequate cash flow of the Group.

In 2025, the Group remained committed to its founding mission of giving back to the Shareholders. The Board proposed a final dividend of 19 HK cents per share (2024: 21.5 HK cents), and an additional special dividend of 10 HK cents per share. The total dividend per share for 2025 will amount to 62 HK cents (inclusive of the special dividend) (2024: 48 HK cents). The distribution of this special dividend is based on the Group's breakthrough in the integration of digital and intelligent shipping services. It serves not only as an enhanced return for shareholders' long-term support, but also reflects the Board's steadfast confidence in the Company's future prospects, representing a decision made possible by the continuous breakthroughs in core business performance and the ample financial reserves of the Group.

DEEPENING STRATEGY

"Technology + Green", Forging Core Competitiveness Throughout the Industry Chain

Aligned with the global shipping industry's trend towards green and intelligent development, COSCO SHIPPING International has always adhered to the technological innovation-driven philosophy, advancing digital development to enable efficient operations. In recent years, the Company has further focused on its "technology + green" dual-track strategy, which precisely aligns with the industry's development trend. It has not only seized the historic opportunities presented by digital and intelligent transformation, but also closely kept pace with the industry's imperative for green and low-carbon development, achieving a seamless synergy with the times and the development trend of the shipping industry.

Digital Intelligent Empowerment, Building an Efficient and Smart Shipping Services System

With the focus on providing integrated solutions throughout the vessel's full life cycle, we have pursued three initiatives: capital consolidation, technological integration, and business collaboration, to drive the in-depth integration of digital technologies and green, low-carbon concepts across the entire shipping services industry chain. This has accelerated our transformation from a traditional shipping service provider into a world-leading provider of green, low-carbon, digital, and intelligent shipping solutions, achieving a quantum leap in our core competitiveness.

In January 2026, COSCO SHIPPING International entered into a capital increase agreement with COSCO SHIPPING Technology to inject 100% equity interest of Yuantong, a wholly-owned subsidiary of the Group, into COSCO SHIPPING Smart-Sailing and bring in the self-developed SMART SAILING platform and cash contribution from COSCO SHIPPING Technology. The resolution was approved by the Shareholders at the special general meeting held on 12 March 2026. Upon completion of the transaction, the Group's equity interest in COSCO SHIPPING Smart-Sailing will increase to 80%. This capital increase is our key strategic initiative based on the trend of green, digital and intelligent transformation of the shipping industry, aiming to develop a digital and intelligent services ecosystem for the full life cycle of vessels.

As the core entity in the field of supply of marine equipment and spare parts, Yuantong has a global service network for equipment supply, installation and voyage repair. As the core of the new infrastructure for digital and intelligent development of the shipping sector, the SMART SAILING platform focuses on three major directions: green and low-carbon, navigational safety, and intelligent supply chain. It reshapes the entire process of ship design, building, operation, maintenance, and disposal. The deep integration of the two enabled the Group to achieve two-way empowerment of its physical service network and digital technology platform, breaking down the information barriers across various segments of traditional shipping services, and genuinely realising a leap from providing individual product and services to offering full life cycle solutions.

Furthermore, leveraging the digital solutions of the SMART SAILING platform, the Group can integrate more effectively into the vast ecosystem and the shipping big data of COSCO SHIPPING Group, which not only secures a strong internal customer base, but also extends standardised and replicable digital intelligent services to new customers outside COSCO SHIPPING Group.

Green Leadership, Building a Sustainable Shipping Services Ecosystem Throughout the Industry Chain

In the field of green transformation, COSCO SHIPPING International is driven by the dual wheels of “industry layout + product upgrade”. Using green methanol as its strategic breakthrough, it advances the construction of the project of Shanghai JOYFuel Green Energy Co., Ltd.. Currently, the project is expected to be put into production in 2027, in order to gain the first-mover advantages in the green marine energy market and we integrated the green and low-carbon concepts into the entire processes of our existing businesses at the same time. Among them, the Qingdao factory of Jotun COSCO achieved 100% green power procurement, and COSCO Kansai Companies completed the development of waterborne anti-corrosive epoxy coatings for nuclear power plants and next-generation waterborne epoxy coating, and accelerated the promotion of graphene container paints, thereby developing a complete green supply chain from production to product delivery.

The green and low-carbon solutions for the shipping services industry will also extend to the full cycle of ship operations. Through the energy consumption monitoring, voyage optimisation and other functions of the SMART SAILING platform, we will provide shipowners with overall solutions for energy conservation and emission reduction, achieving the extension of green services from products to scenarios.

The Group's “technology + green” dual strategy has achieved a sound cycle of mutual empowerment in all aspects. By applying technological solutions to address challenges in green transformation, and leveraging green demand to steer the focus of technological R&D, the Group has formed a healthy development pattern of “technology empowering green development, green development driving technology”, rendering the dual strategy a key lever for promoting business upgrades.

SOCIAL RESPONSIBILITIES

Deep Integration of ESG, Fulfilling the Responsibilities of a State-Owned Enterprise

In 2025, COSCO SHIPPING International adhered to its mission and responsibility as a state-owned enterprise, deeply integrated Environmental, Social and Governance (“ESG”) principles into its strategic planning, and drove sustainable development with the dual wheels of “technology + green”, continuing its focused efforts in areas such as environmental protection, employee well-being, industry collaboration and contributing to society.

In the field of environmental protection, we adhered to the principle of ecology-first and green development, taking carbon reduction and environmental governance as our major responsibilities. We systematically promoted energy conservation and emission reduction, low-carbon transformation and green product innovation, providing core support for the green transformation of the shipping industry. Fulfilling the “dual-carbon” goals with practical actions, we were honoured with the “Best ESG Social Responsibility Practice Award” for 2025 by the Hong Kong International ESG Alliance during the year.

In terms of practicing social responsibilities and contributing to society, we adhered to a people-oriented, co-creation and win-win approach, continuously enhancing our community contributions, and comprehensively full demonstrating the compassion and commitment of a responsible enterprise. In addition to regular charitable activities, following the major fire incident at Wang Fuk Court in Tai Po, we responded swiftly and urgently mobilised the volunteer support team to raise funds and gather various supplies, demonstrating the ethos of “Rooted in Hong Kong, Serving Hong Kong” through immediate action. COSCO SHIPPING International has been honoured with the “Caring Company” title by The Hong Kong Council of Social Service for 17 consecutive years and was rated as an enterprise with “above average” performance.

In terms of corporate governance, we have always adhered to the core principle of operating with integrity, laying a solid foundation for compliant operations with a responsible and dutiful attitude. Particularly in information disclosure, we have strictly abided by the principles of being “true, accurate, complete, timely and compliant”, reporting the Company's operating status, major decisions and strategic planning to shareholders and stakeholders, effectively safeguarding investors' right to know and right of lawful participation. We have won the trust of the capital market and were awarded the “Excellence Awards for Listed Companies 2025” by the Hong Kong Economic Journal.

PROSPECTS

2026 marks the inaugural year of the “15th Five-Year Plan”, and the global shipping industry will also usher in a new development pattern. According to the forecast of the International Monetary Fund, affected by changes in trade policies and front-loading effects of trade, the growth rate of global trade volume will drop from 4.1% in 2025 to 2.6% in 2026. Geopolitical risks persist, placing pressure on shipping capacity along the Asia-Europe trade corridor. The implementation of the EU carbon tariff and the IMO 2030 carbon intensity indicators, in turn, will urge shipowners to accelerate the pace of green transformation. Meanwhile, newbuild vessel orders will be delivered in concentration over the next two years, substantially boosting shipping capacity and reshaping the competitive landscape of the industry.

Amid these challenges, structural opportunities have become more prominent. During the “15th Five-Year Plan” period, China's shipbuilding industry will continue its high-quality development trend, with green and low-carbon transition, high-tech vessel R&D, and digital and intelligent development emerging as key focuses of the industry. The industry landscape where 7 out of every 10 new vessel orders worldwide are fulfilled by Chinese shipyards will present substantial growth opportunities for the Group's shipping services business. Furthermore, the continual release of demand for digital and intelligent renovation as well as green retrofits of existing fleets will open up incremental markets for the Group. The transformation of the shipping industry towards green, digital and intelligent development will create room for the development of enterprises with technological and service advantages.

Following the in-depth integration of the marine equipment and spare parts supply business with the shipping technology services business, the Group will also further promote the digital and green transformation, upgrade and effective integration of other business segments in the future. By leveraging digital intelligence to enhance operational efficiency and green development to expand business boundaries, we will develop new quality productive forces in shipping services, foster an integrated one-stop online-offline shipping service system, and achieve solution-driven scalable growth.

While advancing the implementation of the “technology + green” dual strategy, we will continue to adhere to a prudent and flexible financial management philosophy. On the one hand, we will maintain ample liquidity and a sound financial position to provide financial support for our strategic initiatives such as R&D, mergers and acquisitions, and investments; on the other hand, we will continue to optimise asset structure and resource allocation, focusing on the core track of the shipping services industry to enhance asset operation efficiency.

2026 is a critical strategic period for COSCO SHIPPING International to march towards high-quality development. We will actively align with national strategies and industry trends. Pursuing the core objective of developing into a technology-based shipping services company, we will focus on the two core tracks of digital intelligence and green and low-carbon, accelerate the development of the “1+3+N” technological innovation systems, thereby striving to achieve leapfrog development during the “15th Five-Year Plan” period.

CONCLUSION

The exceptional results in 2025 stem from the joint efforts of all shareholders, the Board, the management and employees. Certainly, these are also a return on the Group's deep commitment to the shipping services industry and persistence in strategic leadership. On behalf of the Board, I hereby extend my sincere gratitude to all shareholders and stakeholders for their long-term support for COSCO SHIPPING International, and pay my sincere tribute to all employees who made dedicated efforts for the Company's growth.

Standing at the new starting point of the "15th Five-Year Plan", COSCO SHIPPING International will embrace industrial transformation with greater openness. By building core competitiveness through pragmatism and innovation, and focusing on the strategic goal of "becoming a technology-based shipping services company", we will further advance the "technology + green" dual strategy, continue to repay all investors by delivering outstanding operating results and ample shareholders' returns, and stride forward on our journey of building a world-class shipping services enterprise.

Zhu Changyu

Chairman of the Board and Managing Director

25 March 2026



Management Discussion and Analysis

OVERALL ANALYSIS OF RESULTS

In 2025, profit attributable to equity holders of the Company was HK\$771,064,000 (2024: HK\$709,211,000), increased by 9% year-on-year, while the basic and diluted earnings per share was 52.60 HK cents (2024: 48.38 HK cents), increased by 9% year-on-year. It was mainly due to the increase in revenue and the share of profit of a joint venture, Jotun COSCO, and the increase in net exchange gains.

FINANCIAL REVIEW

Revenue

During the year, the Group's revenue was HK\$3,705,731,000 (2024: HK\$3,627,126,000), increased by 2% year-on-year. Revenue from the core business of shipping services was HK\$3,696,597,000 (2024: HK\$3,487,682,000), increased by 6% year-on-year, and accounted for 99.8% (2024: 96%) of the Group's revenue, mainly due to the increase in revenues from coatings and ship trading agency segments. Revenue from the general trading segment was HK\$9,134,000 (2024: HK\$139,444,000), decreased by 93% year-on-year, and accounted for 0.2% (2024: 4%) of the Group's revenue.

Gross Profit and Gross Profit Margin

During the year, the Group's gross profit was HK\$894,526,000 (2024: HK\$845,569,000), increased by 6% year-on-year, mainly due to the increase in gross profit of coatings segment and the increase in revenue from ship trading agency segment. The Group's gross profit margin was 24% (2024: 23%), increased by 1 percentage point year-on-year, mainly due to the increase in revenue contribution from higher-gross profit margin segments.

Management Fee Income

During the year, management fee income arising from the provision of management services by the Company in relation to the day-to-day business operations and management of COSCO SHIPPING (Hong Kong) and its subsidiaries (other than those relating to the Group and Piraeus Port Authority S.A.) was HK\$104,303,000 (2024: HK\$94,570,000), increased by 10% year-on-year, mainly due to the increase in administrative and general expenses related to COSCO SHIPPING (Hong Kong) and its subsidiaries mentioned above.

Other Income and Gains/(Losses) — Net

During the year, other income and gains — net was HK\$39,262,000 (2024: net losses of HK\$14,943,000), turnaround from losses to gains, mainly due to the net exchange gains and net gains on dissolution of a subsidiary.

Selling, Administrative and General Expenses

During the year, selling, administrative and general expenses were HK\$750,164,000 (2024: HK\$732,862,000), increased by 2% year-on-year, mainly due to the increase in depreciation and expenses related to short-term leases.

Ship Trading
Agency
Services



Insurance
Brokerage
Services



Supply of Marine
Equipment and
Spare Parts



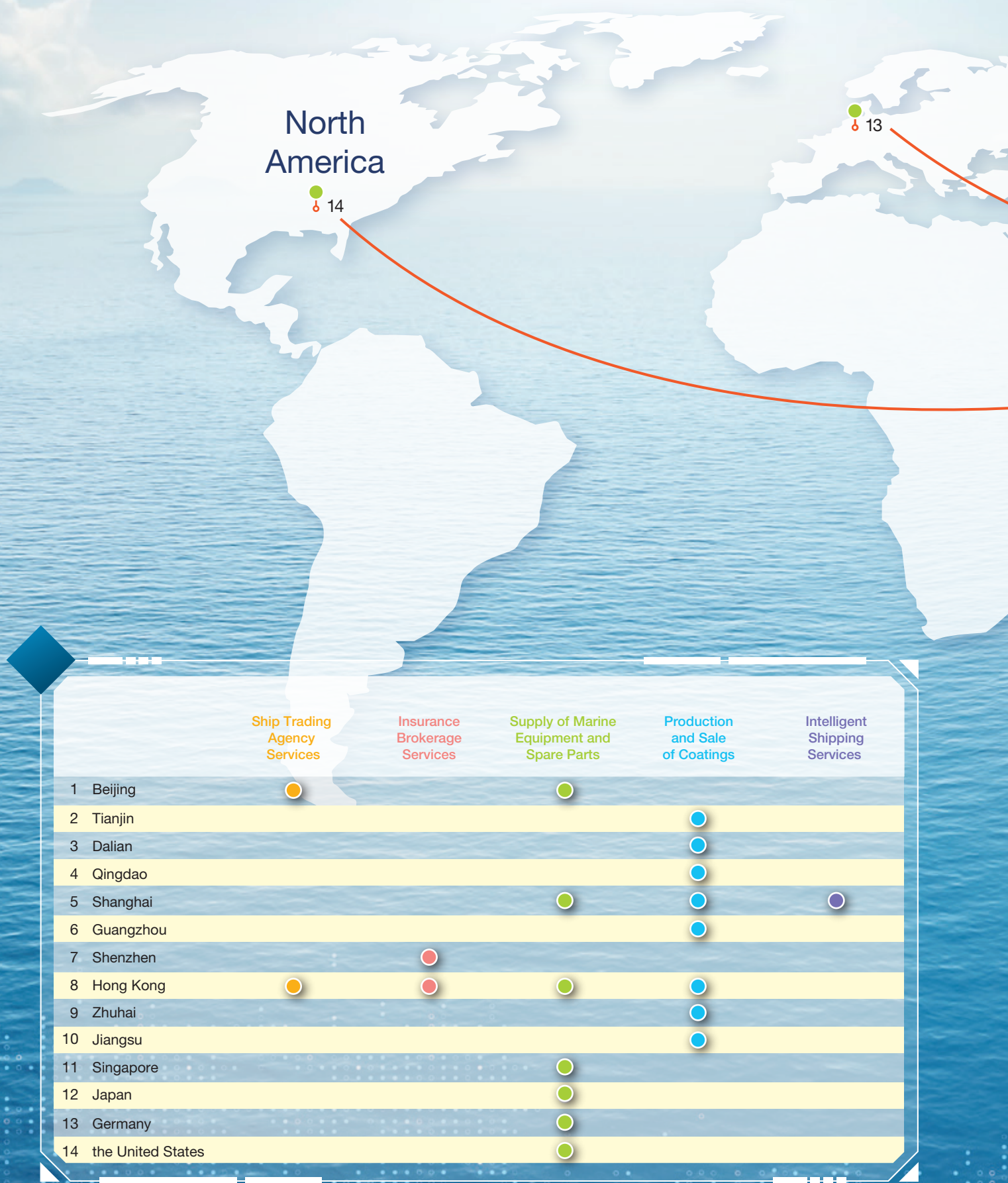
Production
and Sale of
Coatings



Intelligent
Shipping
Services



TECHNOLOGY- BASED SHIPPING SERVICES COMPANY





Europe

Asia

CORE BUSINESS NETWORK

Management Discussion and Analysis

Operating Profit

The Group's operating profit was HK\$287,927,000 (2024: HK\$192,334,000), increased by 50% year-on-year, mainly due to the increase in revenue and gross profit.

Finance Income

Finance income, which primarily represented interest income on the Group's bank deposits, was HK\$218,884,000 (2024: HK\$273,980,000), decreased by 20% year-on-year, mainly due to the decrease in interest rates of deposits.

Finance Costs

Finance costs, which mainly represented interest expenses on lease liabilities and other finance charges, were HK\$1,634,000 (2024: HK\$2,213,000), decreased by 26% year-on-year.

Share of Profits of Joint Ventures

The Group's share of profits of joint ventures was HK\$355,240,000 (2024: HK\$303,111,000), increased by 17% year-on-year. This item primarily represented the share of profits of Jotun COSCO of HK\$337,553,000 (2024: HK\$288,324,000) and of Nasurfar Changshu of HK\$13,843,000 (2024: HK\$11,674,000), which were included in the coatings segment.

Share of Profits of Associates

The Group's share of profits of associates was HK\$12,883,000 (2024: HK\$16,670,000), decreased by 23% year-on-year. This item primarily represented the share of profit of Zhejiang Four Brothers Rope of HK\$10,087,000 (2024: HK\$10,010,000), which was included in the general trading segment.

Income Tax Expenses

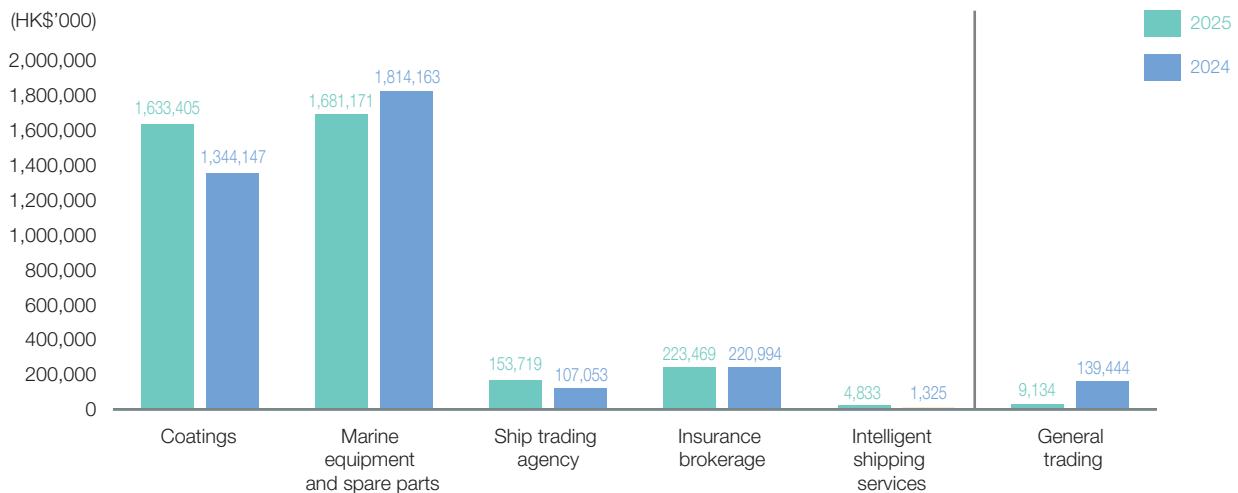
During the year, the Group's income tax expenses were HK\$82,163,000 (2024: HK\$67,605,000), increased by 22% year-on-year. The ratio of income tax expenses to profits before income tax, excluding the share of profits of joint ventures and associates, increased from 15% in 2024 to 16%, mainly due to the increase in revenue.

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders of the Company was HK\$771,064,000 (2024: HK\$709,211,000), increased by 9% year-on-year.

FINANCIAL RESULTS

SEGMENT REVENUE*



* external customers only

Revenue from the core business of shipping services increased by 6% to HK\$3,696,597,000 (2024: HK\$3,487,682,000) and accounted for 99.8% (2024: 96%) of the Group's revenue. The increase in revenue was mainly due to the increase in revenues from coatings and ship trading agency segments.

SEGMENT OPERATING PROFIT/(LOSS)



Segment operating profit from shipping services increased by 17% to HK\$348,452,000 (2024: HK\$298,878,000), mainly due to the increase in segment operating profits from coatings, ship trading agency, and insurance brokerage.

FINANCIAL RESULTS (Continued)

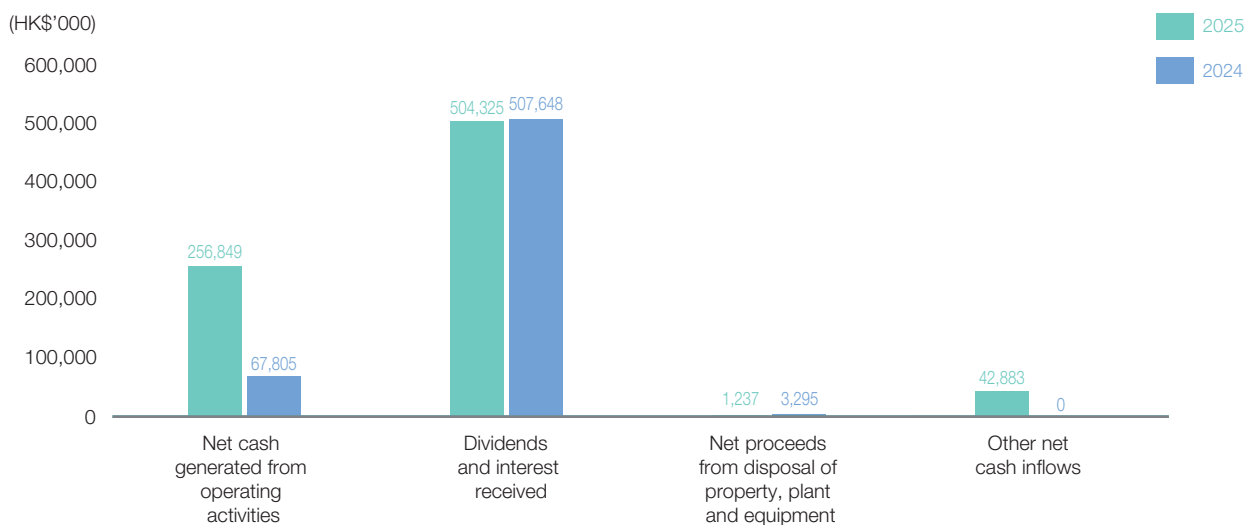
For the year ended 31 December	2025 HK\$'000	2024 HK\$'000	Change HK\$'000	%	Remark
Shipping services	348,452	298,878	49,574	17	It was mainly attributable to the year-on-year increase in segment operating profits from coatings, ship trading agency and insurance brokerage.
General trading	(12,252)	(16,615)	4,363	(26)	
Others	(980)	5,827	(6,807)	(117)	
Corporate net exchange gains/(losses)	13,062	(30,978)	44,040	(142)	
Corporate expenses, net of income	(59,464)	(64,119)	4,655	(7)	
Elimination of segment income from corporate headquarters	(891)	(659)	(232)	35	
Operating profit	287,927	192,334	95,593	50	
Finance income-net	217,250	271,767	(54,517)	(20)	It was mainly attributable to the decrease in interest rates of deposits year-on-year.
Share of profits of joint ventures	355,240	303,111	52,129	17	It was mainly attributable to the increase in sales volume and the improvement in gross profit margin of Jotun COSCO and Nasurfar Changshu year-on-year.
Share of profits of associates	12,883	16,670	(3,787)	(23)	
Profit before income tax	873,300	783,882	89,418	11	
Income tax expenses	(82,163)	(67,605)	(14,558)	22	
Profit for the year	791,137	716,277	74,860	10	

FINANCIAL RESULTS (Continued)

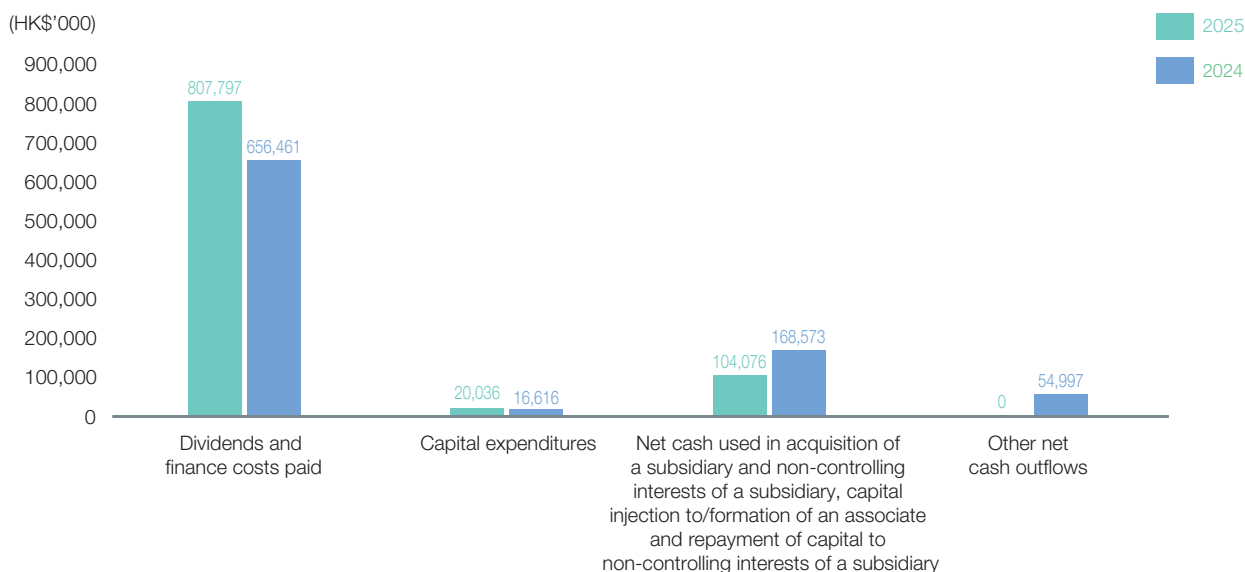
As at 31 December	2025 HK\$'000	2024 HK\$'000	Change HK\$'000	%	Remark
Intangible assets	349,506	359,764	(10,258)	(3)	
Property, plant and equipment, right-of-use assets and investment properties	370,436	374,526	(4,090)	(1)	
Investments in joint ventures	874,368	759,695	114,673	15	
Investments in associates	246,565	166,139	80,426	48	
Other non-current assets	152,333	109,903	42,430	39	
Inventories	450,278	401,734	48,544	12	
Trade receivables — net	429,854	524,080	(94,226)	(18)	
Other receivables	804,099	689,191	114,908	17	
Cash (including restricted bank deposits, total deposits and cash and cash equivalents)	5,816,862	5,943,477	(126,615)	(2)	(A), (B)
Other current assets	11,482	5,061	6,421	127	
Total assets	9,505,783	9,333,570	172,213	2	
Deferred income tax liabilities	81,396	77,334	4,062	5	
Trade payables, other payables and contract liabilities	1,126,895	1,010,675	116,220	11	
Current income tax liabilities	16,243	20,619	(4,376)	(21)	
Lease liabilities	12,515	15,603	(3,088)	(20)	
Non-controlling interests	327,029	336,753	(9,724)	(3)	
Total liabilities and non-controlling interests	1,564,078	1,460,984	103,094	7	
Net assets attributable to equity holders	7,941,705	7,872,586	69,119	1	

(A) MAJOR SOURCES AND USE OF CASH

CASH INFLOWS



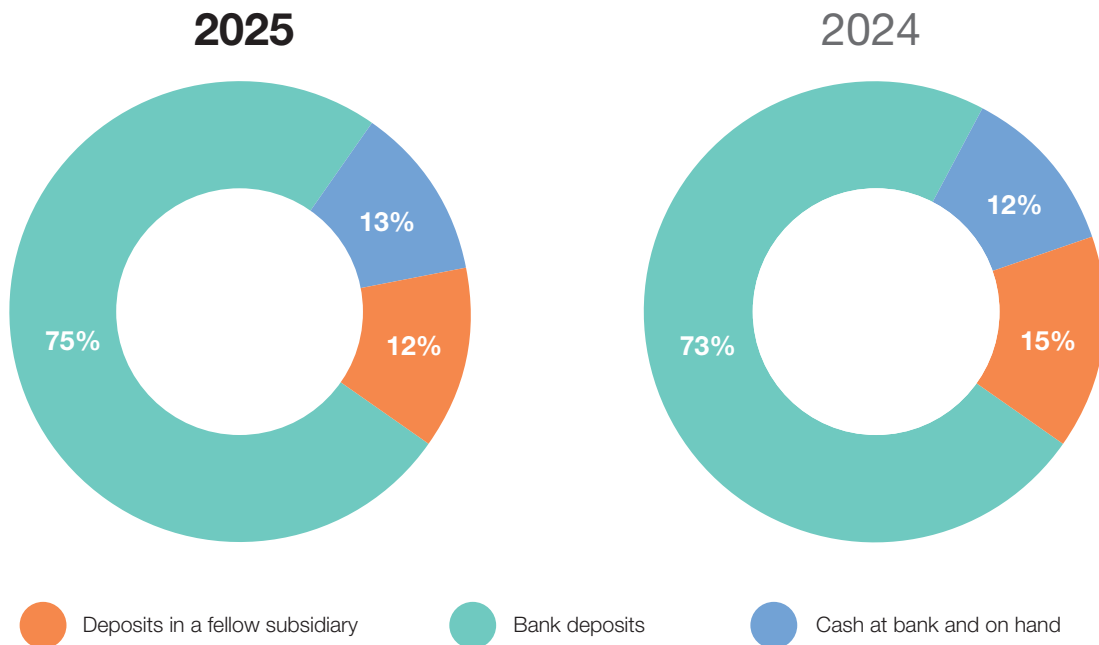
CASH OUTFLOWS



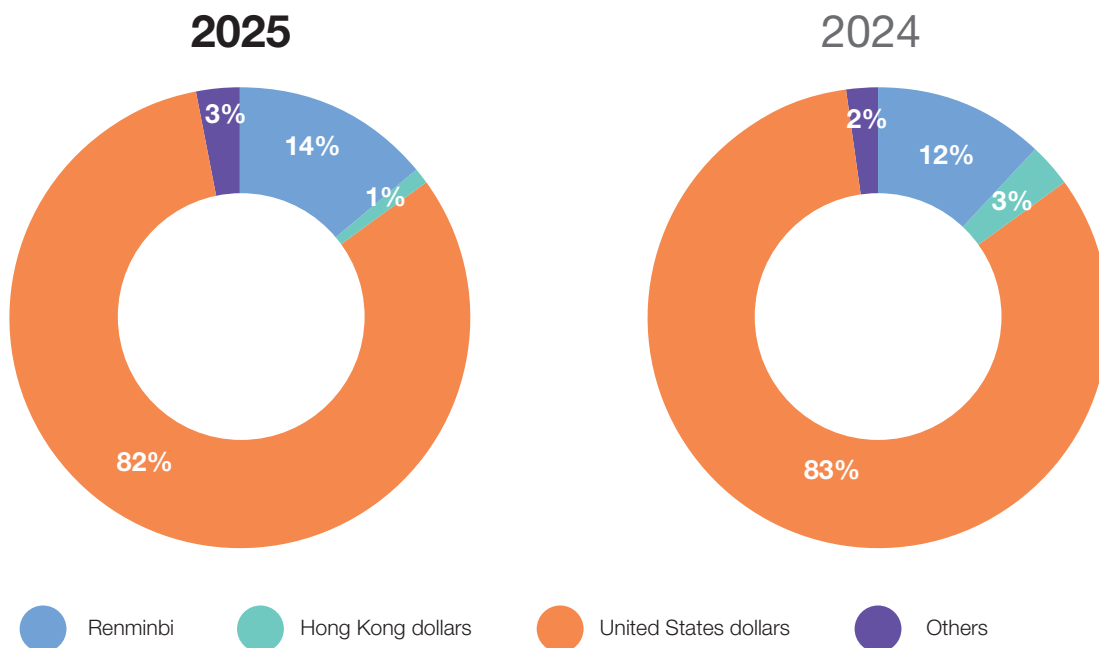
During the year, cash (including restricted bank deposits, total deposits, and cash and cash equivalents) decreased by HK\$126,615,000. Sources of cash mainly included net cash generated from operating activities of HK\$256,849,000; dividends and interest received of HK\$504,325,000; net proceeds from disposal of property, plant and equipment of HK\$1,237,000; and other net cash inflows of HK\$42,883,000. Uses of cash mainly included dividends and finance costs paid of HK\$807,797,000; capital expenditures of HK\$20,036,000; and net cash used in acquisition of a subsidiary and non-controlling interests of a subsidiary, capital injection to/formation of an associate and repayment of capital to non-controlling interests of a subsidiary of HK\$104,076,000.

(B) ANALYSIS OF CASH

CLASSIFIED BY NATURE



CLASSIFIED BY CURRENCY



CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent but flexible approach towards financial management which aims at maintaining a healthy statement of financial position, a low level of borrowings and adequate liquidity. The Board believes this approach can ensure sufficient financial resources available for merger and acquisition opportunities that fits in well with the Group's strategic direction, and is therefore in line with the Group's long-term development target.

The Group's main sources of liquidity comprises cash, bank balances and non-committed unutilised banking facilities. The liquidity is primarily for financing of general working capital requirements, dividend payments and future capital expenditure. As at 31 December 2025, current deposits and cash and cash equivalents held by the Group accounted for 74% (2024: 79%) of the Group's total current assets.

As at 31 December 2025, the Group's total assets increased by 2% to HK\$9,505,783,000 (2024: HK\$9,333,570,000). Total liabilities increased by 10% to HK\$1,237,049,000 (2024: HK\$1,124,231,000). The Group remained cautious about potential credit risks that surrounded the shipping services industry. All business units focused on internal management, receivables management, working capital management and cost control.

Net asset value attributable to shareholders was HK\$7,941,705,000 (2024: HK\$7,872,586,000). Net asset value per share, calculated based on the 1,465,971,429 shares outstanding at the end of the year (2024: 1,465,971,429 shares), was HK\$5.42 (2024: HK\$5.37), which increased slightly as compared to the end of 2024.

As at 31 December 2025, the Group's total short-term borrowings were nil (2024: nil). The Group's total cash on hand (representing total restricted bank deposits and current deposits and cash and cash equivalents) decreased by 19% to HK\$4,793,109,000 (2024: HK\$5,943,477,000) and total non-committed unutilised standby banking facilities decreased by 38% to HK\$292,499,000 (2024: HK\$470,029,000). The gearing ratio, which represented total borrowings over total assets, was nil (2024: nil).

Debt Analysis

As at 31 December 2025, the Group's total borrowings were nil (2024: nil).

The Group had restricted bank deposits of HK\$5,536,000 (2024: HK\$5,399,000), representing deposits placed to meet the statutory requirement of its insurance brokerage business in the PRC.

Considering the Group's current level of cash and bank balances, funds generated internally from operations, the unutilised banking facilities available and a low debt level, the Board is confident that the Group will have sufficient resources to meet its foreseeable capital expenditures and liquidity requirements.

TREASURY POLICY

The Group operates principally in Hong Kong, the PRC and overseas, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi and United States dollars. Foreign exchange risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group managed its foreign exchange exposure through matching its operating costs and borrowings against its trade receivables. Nevertheless, the Group is still exposed to relevant foreign exchange risk in respect of Renminbi and United States dollars exchange rate fluctuations such that the Group's profit might be impacted accordingly.

The Group continued to monitor and adjust its debt portfolio from time to time in light of market conditions, the objective of which is to reduce potential interest rate risk exposure, improve debt structure and lower interest expenses.

As for cash management, the Group selects suitable cash investment instruments based on the balance among security, return and liquidity to ensure sufficient funds are available and an appropriate level of liquidity is maintained to meet all its obligations during different periods of the shipping cycle.

The Group maintained a healthy cash position. As at 31 December 2025, the Group had net cash, which represented total non-current bank deposits, restricted bank deposits and current deposits and cash and cash equivalents, of HK\$5,816,862,000 (2024: HK\$5,943,477,000). To enhance the Group's finance income and to ensure availability of cash at appropriate times to meet the Group's commitments and needs, the Group, on the basis of balancing risk, return and liquidity, invested in a mixture of stable and conservative financial products, including overnight deposits, term deposits and offshore fixed deposits. Cash and deposits of the Group were placed with highly reputable financial institutions in Hong Kong, the PRC, Singapore, Japan, Germany and the United States. During the year, the Group strengthened its funds management and had actively negotiated with banks to strive for higher deposit yields for the huge sum of liquid funds on hand. The Group achieved a 3.72% rate of return on the Group's cash for the year (2024: 4.49%), representing a decrease of 77 basis points year-on-year. The Group had no financial instruments for interest rate hedging purposes.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the Group's sales to the largest customer and aggregate sales to the five largest customers accounted for 5% and 20% respectively (2024: 5% and 19% respectively) of the total revenue of the Group, while purchases from the largest supplier and aggregate purchases from the five largest suppliers accounted for 5% and 17% respectively (2024: 4% and 18% respectively) of the total cost of sales of the Group.

None of the Directors or their associates had interests in any of the five largest customers and suppliers.

Save as disclosed above, to the knowledge of the Directors, none of the Shareholders owning more than 5% of the Company's shares had interests in the five largest customers and suppliers.

EMPLOYEES

As at 31 December 2025, excluding those in joint ventures and associates, the Group had 808 (2024: 809) employees, of whom 205 (2024: 201) were Hong Kong employees. During the year, total employee benefit expenses, including directors' emoluments and provident funds, were HK\$529,438,000 (2024: HK\$522,270,000). Employees were remunerated on the basis of their performance and experience. Remuneration packages include salary and a year-end discretionary bonus, which are determined with reference to market conditions and individual performance. During the year, all of the Hong Kong employees have participated in the Mandatory Provident Fund Scheme or recognised occupational retirement scheme.

The share option incentive scheme of the Company was adopted by the Shareholders at the special general meeting of the Company on 9 April 2020 (the "Share Option Incentive Scheme").

Management Discussion and Analysis

The Company granted an aggregate of 23,830,000 share options to certain directors of the Company and certain employees of the Group to subscribe for a total of 23,830,000 shares of the Company at a price of HK\$2.26 per share on 28 April 2020 under the Share Option Incentive Scheme. Subject to the fulfilment of the relevant conditions, these share options granted are exercisable from 28 April 2022 to 27 April 2026 in batches.

The Company granted an aggregate of 2,460,000 share options to certain employees of the Group to subscribe for a total of 2,460,000 shares of the Company at a price of HK\$2.184 per share on 6 October 2020 under the Share Option Incentive Scheme. Subject to the fulfilment of the relevant conditions, these share options granted are exercisable from 6 October 2022 to 5 October 2026 in batches.

The Company granted an aggregate of 1,370,000 share options to certain employees of the Group to subscribe for a total of 1,370,000 shares of the Company at a price of HK\$2.72 per share on 7 April 2021 under the Share Option Incentive Scheme. Subject to the fulfilment of the relevant conditions, these share options granted are exercisable from 7 April 2023 to 6 April 2027 in batches.

Each batch of the above share options is exercisable within the periods stated as follows: (a) 33.3% of the share options will be exercisable commencing on the first trading day after the expiration of the 24-month period (the second anniversary) from the respective dates of grant and ending on the last trading day of the 36-month period from the respective dates of grant; (b) 33.3% of share options will be exercisable commencing on the first trading day after the expiration of the 36-month period (the third anniversary) from the respective dates of grant and ending on the last trading day of the 48-month period from the respective dates of grant; and (c) 33.4% of the share options will be exercisable commencing on the first trading day after the expiration of the 48-month period (the fourth anniversary) from the respective dates of grant and ending on the last trading day of the 72-month period from the respective dates of grant.

REVIEW OF BUSINESS OPERATIONS

In 2025, the global shipping industry continued to navigate through a complex and volatile macroeconomic landscape. Geopolitical shifts, the rise of trade protectionism, regional supply chain restructuring, and increasingly stringent global environmental regulations presented multiple challenges and uncertainties for the industry.



In the shipbuilding market, despite the imposition of high port entry fees by the United States on vessels owned, operated or manufactured by China under Section 301 of the Trade Act of 1974 temporarily dampened order intake sentiment among Chinese shipbuilders' and resulting in a phased diversion of some orders. Nonetheless, with both China and the United States suspending such fees concurrently for a one-year period starting from 10 November 2025, newbuild vessel orders quickly flowed back to China, highlighting the comprehensive competitiveness of the industry. China's shipbuilding sector continued to outperform globally in terms of three major indicators, retaining its world-leading position for 16 consecutive years. In China, shipbuilding completions amounted to 53.69 million DWT for the year, marking an 11.4% year-on-year increase and accounting for 56.1% of the global market total. Newbuild vessel orders in the shipbuilding industry reached 107.82 million DWT, capturing 69% of the global market share. This implied that Chinese shipbuilders delivered 7 out of every 10 new vessels ordered worldwide. As of the end of 2025, orders backlog amounted to 274.42 million DWT, marking a 31.5% year-on-year increase and accounting for 66.8% of the global market hitting at a new historical high.

Benefiting from the growth in shipbuilding completions and new vessel deliveries in China, the newbuild vessel market remained in an expansionary cycle, fostering a solid business foundation for the shipping services industry. Leveraging the prolonged shipbuilding delivery cycle and the effective execution of its strategic initiatives, the Group's core shipping services business achieved a record-high profit before income tax in 2025, representing a year-on-year increase of 16%. Profit attributable to equity holders of the Company also climbed to its highest level since 2011.

1. Core Business — Shipping Services

The Group's core business of shipping services mainly include ship trading agency services, insurance brokerage services, supply of marine equipment and spare parts, production and sale of coatings and intelligent shipping services etc..

During the year, revenue from the Group's shipping services was HK\$3,696,597,000 (2024: HK\$3,487,682,000), representing a year-on-year increase of 6%. Profit before income tax from shipping services was HK\$727,377,000 (2024: HK\$627,800,000), representing a year-on-year increase of 16%.



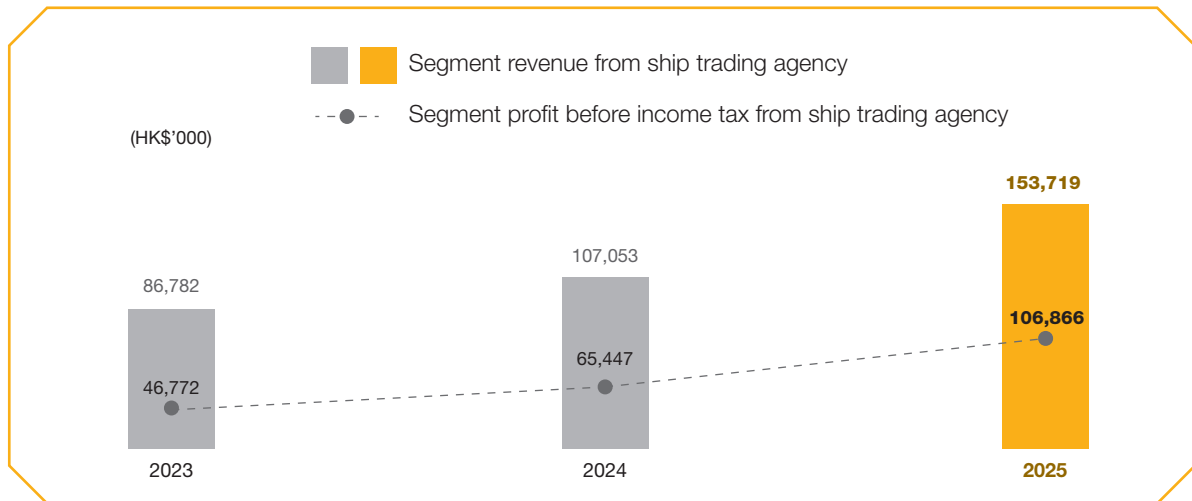


Ship Trading Agency Services

1.1 Ship Trading Agency Services

The Group's ship trading agency services business is principally engaged in the provision of agency services relating to shipbuilding, ship trading and chartering for shipping enterprises. During the year, the Group's revenue from the ship trading agency segment was HK\$153,719,000 (2024: HK\$107,053,000), up 44% year-on-year. Segment profit before income tax was HK\$106,866,000 (2024: HK\$65,447,000), up 63% year-on-year. This was mainly due to significant year-on-year growth in newbuild vessels deliveries, which drove up commission income.

During the year, the Group's total number of newbuild vessels deliveries was 52 (2024: 32), aggregating 3,520,000 DWT (2024: 1,919,272 DWT). A total number of 178 (2024: 89) newbuild vessels have been ordered, aggregating 19,843,600 DWT (2024: 8,401,500 DWT). In addition, the sale and purchase of a total of 27 (2024: 23) second-hand vessels were recorded, aggregating 1,358,680 DWT (2024: 1,169,600 DWT).



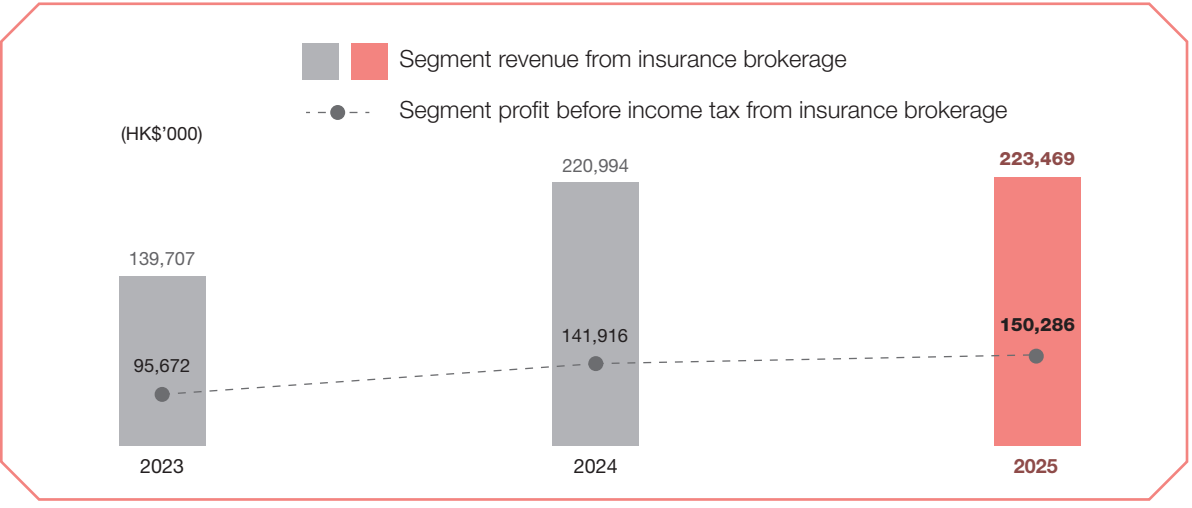


Insurance Brokerage Services

1.2 Insurance Brokerage Services

The Group's insurance brokerage services business is primarily engaged in the insurance and reinsurance intermediary services of marine and non-marine insurance, including the provision of professional insurance brokerage services, such as risk assessment and analysis, designing insurance and reinsurance programmes, discussing insurance coverage, reviewing insurance policies, claims adjustment and claims handling for domestic and international customers, and receive service commissions.

During the year, the Group's revenue from the insurance brokerage services segment was HK\$223,469,000 (2024: HK\$220,994,000), up 1% year-on-year. Segment profit before income tax was HK\$150,286,000 (2024: HK\$141,916,000), up 6% year-on-year. This was mainly due to the continuous expansion of its client base and market share, alongside substantial hike in premium rates in hull insurance, protection & indemnity (P&I) insurance, and war risk insurance amid the instability in international political relations and the maritime environment, which in turn drove up commission income during the year.



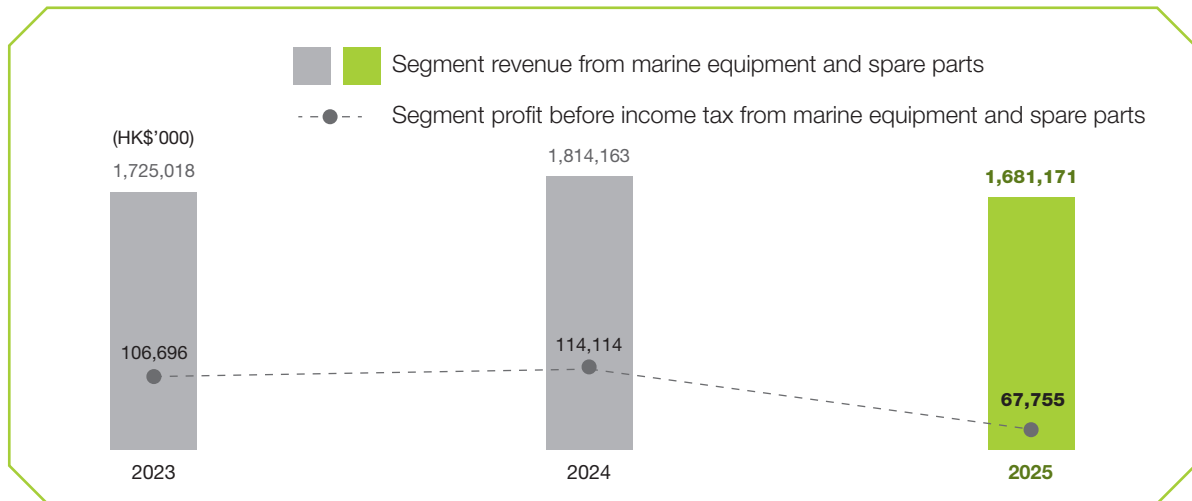


Supply of Marine Equipment and Spare Parts

1.3 Supply of Marine Equipment and Spare Parts

The Group's supply of marine equipment and spare parts business is principally engaged in the sale and installation of equipment and spare parts for existing and newbuild vessels, as well as equipment of radio communications systems, satellite communications and navigation systems or equipment for ships, offshore facilities, coastal stations and land users; marine materials supply and voyage repair. Its business network covers cities such as Hong Kong, Shanghai and Beijing and countries such as Japan, Singapore, Germany and the United States, etc..

During the year, the Group's revenue from marine equipment and spare parts segment was HK\$1,681,171,000 (2024: HK\$1,814,163,000), representing a year-on-year decrease of 7%. Segment profit before income tax was HK\$67,755,000 (2024: HK\$114,114,000), representing a year-on-year decrease of 41%. This was mainly due to continuous volatility in the shipping market, compounded by negative impact of tariff trade wars, which prompted key customers to cap purchase volumes and adopt a more prudent approach to procurement pricing, which in turn weighed on gross margins.

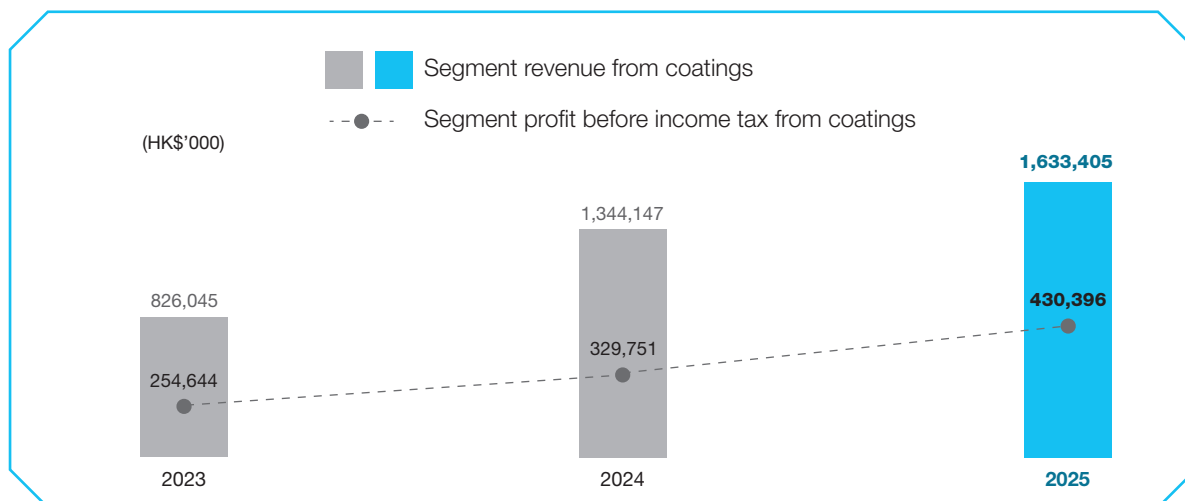




Production and Sale of Coatings

1.4 Production and Sale of Coatings

The coating business of the Group primarily includes the production and sale of container coatings, industrial heavy-duty anti-corrosion coatings and marine coatings. COSCO Kansai (Zhuhai), COSCO Kansai Paint (Shanghai) and COSCO Kansai (Shanghai) are non-wholly owned subsidiaries of the Company. COSCO Kansai (Zhuhai) and COSCO Kansai Paint (Shanghai), which have their own plants, are principally engaged in the production and sales of coatings, while COSCO Kansai (Shanghai) is primarily engaged in the sales of coatings. Jotun COSCO, a 50/50 joint venture formed by the Company and Jotun A/S, Norway, an international coatings supplier, is principally engaged in the production and sales of marine coatings. Nasurfur Changshu, in which the Company held 33% equity interest, is principally engaged in research and development, production and sales of biomaterial application products, including surfactants, coating raw materials and additives, as well as resin modifiers, etc..



During the year, revenue from coatings segment of the Group was HK\$1,633,405,000 (2024: HK\$1,344,147,000), representing a year-on-year increase of 22%. Segment profit before income tax was HK\$430,396,000 (2024: HK\$329,751,000), representing a year-on-year increase of 31%.

For container coatings, affected by the continued decline in new container prices, China's container manufacturing volume in 2025 is estimated at approximately 5.81 million Twenty-foot Equivalent Units (TEUs), a year-on-year decrease of 25%. Despite the overall market decline, COSCO Kansai Companies actively expanded its container coating business, achieving a counter-trend growth in orders. During the year, sales of container coatings increased by 56% year-on-year to 63,943 tonnes (2024: 40,909 tonnes).

The sales volume of industrial heavy-duty anti-corrosion coatings (including workshop primer) decreased by 21% year-on-year to 17,394 tonnes (2024: 21,925 tonnes), mainly due to intensifying competition in the industry. Notwithstanding the volume decline, COSCO Kansai Companies has actively expanded the application scope of anti-corrosion coatings, expanding its customer base.

For marine coatings, the sales volume of Jotun COSCO's marine coatings amounted to 150,052,000 litres (equivalent to approximately 202,570 tonnes) (2024: 123,704,000 litres (equivalent to approximately 166,898 tonnes)), up 21% year-on-year. Among them, the sales volume of coatings for newbuild vessels reached 107,688,000 litres (2024: 80,639,000 litres), up 34% year-on-year. The sales volume of coatings for repair and maintenance was 42,364,000 litres (2024: 43,065,000 litres), down 2% year-on-year. During the year, the Group's share of profit from Jotun COSCO was HK\$337,553,000 (2024: HK\$288,324,000), up 17% year-on-year. This was mainly due to the increase in marine coatings sales volume amid continued robust newbuilding vessel deliveries, and an improvement in the gross profit margins driven by effective cost control measures.

During the year, the Group's share of profit from Nasurfar Changshu was HK\$13,843,000 (2024: HK\$11,674,000), representing a significant year-on-year increase of 19%, which was mainly attributable to the expansion of business scale as a result of the buoyant marine coatings and container coatings markets and the commissioning of new production capacity.



Intelligent Shipping Services

1.5 Intelligent Shipping Services

The Group's intelligent shipping services business is committed to providing green, low-carbon, digital and intelligent solutions throughout the full life cycle of the shipping industry. The Company and COSCO SHIPPING Technology jointly established COSCO SHIPPING Smart-Sailing, in which the Company held 51% equity interest. COSCO SHIPPING Smart-Sailing is principally engaged in the development and application of digital and intelligent solutions for vessels.

During the year, revenue of COSCO SHIPPING Smart-Sailing was HK\$4,833,000 (2024: HK\$1,325,000) and the loss before income tax was HK\$27,926,000 (2024: loss before income tax of HK\$23,428,000). The loss was mainly due to the expenses incurred on research and development of products.

2. General Trading

The Group's general trading business is principally engaged in the trading, storage, processing, supply of asphalt and other comprehensive trading.

During the year, revenue from the general trading segment of the Group was HK\$9,134,000 (2024: HK\$139,444,000). The Group has gradually phased out from the asphalt operation, the sales volume of asphalt being the balance of stock, was 1,681 tonnes (2024: 42,344 tonnes). Segment profit before income tax was HK\$6,544,000 (2024: HK\$4,926,000).

During the year, the Group's share of profit from Zhejiang Four Brothers Rope was HK\$10,087,000 (2024: HK\$10,010,000), representing a year-on-year increase of 1%, which was mainly due to the increase in overall gross profit margin.



OTHERS

Reference is made to the announcements of the Company dated 14 November 2024, 26 March 2025 and 27 August 2025 respectively, Sinfeng, an indirect wholly-owned subsidiary of the Company, was served with a claim lodged by a third party commercial bank against Sinfeng at General Division of the High Court of the Republic of Singapore (“Singapore Court”) on 7 November 2024.

The trial hearing took place from 3 to 13 March 2026 and the Singapore Court has given directions for the parties’ closing submissions. However, based on the assessment, the litigation has no material adverse impact on the business or daily operation of the Group as a whole and has no significant financial impact on the Group.

EVENTS AFTER THE BALANCE SHEET DATE

On 5 January 2026, the Company, COSCO SHIPPING Technology and COSCO SHIPPING Smart-Sailing entered into the capital increase agreement, pursuant to which the Company and COSCO SHIPPING Technology shall make additional capital contribution to COSCO SHIPPING Smart-Sailing in the following manner: (a) the Company shall transfer all its 100% equity interests in Yuanlong to COSCO SHIPPING Smart-Sailing; and (b) COSCO SHIPPING Technology shall transfer the SMART SAILING Platform (the SMART SAILING Platform launched by COSCO SHIPPING Technology, being technological products designed and developed by COSCO SHIPPING Technology) and make a cash contribution of RMB213,010,416 to COSCO SHIPPING Smart-Sailing. Upon completion of the capital increase of COSCO SHIPPING Smart-Sailing (the “Capital Increase”), the Company’s equity interests in COSCO SHIPPING Smart-Sailing will increase from 51% to 80% whereas COSCO SHIPPING Technology’s equity interests in COSCO SHIPPING Smart-Sailing will decrease from 49% to 20%; COSCO SHIPPING, being the ultimate holding company of the Company, is a connected person of the Company. COSCO SHIPPING Technology, being a subsidiary and hence an associate of COSCO SHIPPING, is therefore a connected person of the Company at the issuer level. Given that (i) COSCO SHIPPING Smart-Sailing is a non-wholly owned subsidiary of the Company and (ii) COSCO SHIPPING Technology is a connected person of the Company at the issuer level holding more than 10% of the equity interests in COSCO SHIPPING Smart-Sailing, COSCO SHIPPING Smart-Sailing is a connected subsidiary of the Company under Rule 14A.16(1) of the Listing Rules and hence a connected person of the Company. Accordingly, the Injection (being a disposal of 100% equity interest in Yuanlong by the Company and an acquisition of the same by COSCO SHIPPING Smart-Sailing) constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Injection exceeds 5% but is less than 25%, the Injection constitutes (i) a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. The capital contribution of COSCO SHIPPING Technology by way of transfer of the SMART SAILING Platform and cash contribution to COSCO SHIPPING Smart-Sailing, a subsidiary of the Company, constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of such capital contribution exceed 0.1% but are less than 5%, such capital contribution is only subject to the reporting and announcement requirements but is exempt from the Independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules. The Acquisition (being an acquisition by the Company of further equity interests in COSCO SHIPPING Smart-Sailing as a result of the Capital Increase) constitutes a transaction between the Company and COSCO SHIPPING Technology, a connected person of the Company, and hence a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes (i) a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 5 January 2026 and the circular of the Company dated 13 February 2026. The resolution of Capital Increase Agreement and the transactions contemplated thereunder was approved by the affirmative votes of the Independent Shareholders at the special general meeting of the Company held on 12 March 2026.

According to the latest forecast by the International Monetary Fund (IMF), global trade volume growth is projected to decline from 4.1% in 2025 to 2.6% in 2026, impacted by factors such as shifts in trade policies and trade front-loading effects.

The shipping industry will continue to be affected by uncertainties regarding security conditions along the Red Sea route and geopolitical risks, with effective capacity on the Asia-Europe trade corridor remains under pressure. The European Union (EU) carbon tariff and the International Maritime Organisation (IMO) 2030 Carbon Intensity Indicator (CII) have been officially incorporated into the shipping sector, placing urgent green transition requirements on shipowners. Meanwhile, a significant volume of new build orders will be delivered over the next two years, which will lead to a substantial increase in shipping capacity. The shipping industry accelerating its restructuring toward greener and smarter transformation, creating structural opportunities for enterprises with technological and service advantages.

2026 marks the inaugural year of the “15th Five-Year Plan” and a pivotal strategic period for COSCO SHIPPING International to pursue high-quality development. The Group has recently completed the deep integration of its marine equipment and spare parts supply business with the intelligent shipping services business. Building upon the foundation of its marine spare parts business, it will leverage digital empowerment and innovative integrated digital solutions to expand low-carbon service scenarios. This approach will continuously develop new quality productive forces in shipping services, significantly enhance core competitive advantages, and unleash cross-business synergies.

Looking ahead, China’s shipbuilding industry is expected to maintain a sound momentum of high-quality and prosperous development during the “15th Five-Year Plan” period. As market focus shifts toward areas such as green and low-carbon transformation, R&D for high-tech vessels, breakthroughs in higher-end markets, and digital intelligent development, the large-scale expansion of shipping capacity will present substantial growth opportunities for the Group’s shipping services business volume. Furthermore, the unfolding demand for digital-intelligent upgrading and green retrofitting of existing fleets will also open up newly expanded markets for the Group.

COSCO SHIPPING International will actively align with national strategies and industry trends, and accelerate the development of its “1+3+N” technological innovation systems to lay a solid foundation, thereby positioning itself as a technology-driven shipping service company. By focusing on two key growth pillars, digital intelligence and green and low-carbon development, the Company will unleash its endogenous growth drivers through deepening reform and innovation, strengthening the integration of industry, academia, research, and application, thereby striving to achieve leapfrog development during the “15th Five-Year Plan” period.

By business segments, the ship trading agency service business and the marine coatings business will continue to benefit from the upturn cycle in China’s shipbuilding completions and new vessel deliveries in the foreseeable future; and the expansion of new shipping capacity will also create new growth opportunities for all segments of the Group’s core shipping services business.

Profile of Directors and Senior Management

DIRECTORS



◆ **Mr. Zhu Changyu**
(Chairman and Managing Director)

aged 53, has been the Executive Director, Chairman of the Board and the Managing Director of the Company since April 2023 and is also a chairman of Corporate Governance Committee, Strategic Development Committee and Risk Management Committee, and a member of Remuneration Committee and Nomination Committee of the Company and the director of a subsidiary of the Company. Mr. Zhu leads overall operational and strategic development of the Company. He is also a director and the president of COSCO SHIPPING (Hong Kong) Co., Limited (direct controlling shareholder), vice-chairman and a non-executive director of Piraeus Port Authority S.A. (listed in Athens), a fellow subsidiary of the Company, and the general manager of COSCO SHIPPING (Hainan) Co., Ltd.. He had been the head and division chief (handling division duty) of Planning Division, the deputy manager of Marketing Division of China Shipping Group International Trade Co., Ltd., the manager of Procurement Division and the assistant to general manager of Shenzhen China Shipping Haisheng Asphalt Co., Ltd., the manager of Comprehensive Trade Division of China Shipping Group International Trade Co., Ltd., the manager of Development and Research Division, the manager of Investment Management Division and the assistant to general manager of China Shipping Group Investment Co., Ltd., the deputy supervisor of Research Office, the senior manager of Secretarial Office of Executive Division, the deputy general manager of Strategic Development Division of 中國海運(集團)總公司 (China Shipping (Group) Company), the deputy supervisor of Integration Management Office, the general manager of Strategy & Corporate Management Division and the supervisor of Deepening Reform Office of 中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited) (ultimate controlling shareholder). He has extensive experience in strategic planning, capital operation, corporate governance, integration and reorganisation. He graduated from Shanghai Maritime College (now known as Shanghai Maritime University), majoring in Transportation Management Engineering and obtained a Master's degree. He is a senior economist.

aged 51, has been the Non-executive Director of the Company since June 2024 and is a member of Risk Management Committee of the Company. He is a general manager of Finance and Accounting Division of 中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited) (ultimate controlling shareholder), a director of COSCO SHIPPING (Hong Kong) Co., Limited (direct controlling shareholder) and a chairman and Secretary of the Party Committee of COSCO SHIPPING Finance Co., Ltd.. Mr. Ma is also a non-executive director of COSCO SHIPPING Ports Limited (listed in Hong Kong), a non-executive director of China Merchants Bank Co., Ltd. (listed in Shanghai and Hong Kong) and a director of COSCO SHIPPING Specialized Carriers Co., Ltd. (listed in Shanghai) and a director of China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd.. He was the treasury manager of Finance Division of 中國遠洋控股股份有限公司 (China COSCO Holdings Company Limited), the general manager of Finance Division of COSCO International Holdings Limited (former name of the Company), the business manager of Strategy Implementation Management Office of 中國遠洋運輸(集團)總公司 (China Ocean Shipping (Group) Company) (now known as 中國遠洋運輸有限公司 (China Ocean Shipping Co., Ltd.)/中國遠洋控股股份有限公司 (China COSCO Holdings Company Limited) (now known as 中遠海運控股股份有限公司 (COSCO SHIPPING Holdings Co., Ltd.)), the deputy general manager of Capital Management & Operation Division of 中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited), the vice president of COSCO SHIPPING (Hong Kong) Co., Limited and the deputy general manager of the Company. Mr. Ma has extensive experience in finance, capital operation, investment, mergers and acquisitions, strategic planning, etc.. Mr. Ma graduated from 中國金融學院 (China School of Banking and Finance), majoring in investment economics and management and obtained a Master's degree in Economics from University of International Business and Economics. He is a fellowship member of Association of Chartered Certified Accountants (FCCA) and is a senior certified accountant.



◆ Mr. Ma Xianghui

aged 52, has been the Non-executive Director of the Company since January 2025 and is a member of Nomination Committee of the Company. She is also a deputy general manager of Capital Management & Operation Division of 中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited) (ultimate controlling shareholder) and a non-executive director of 中遠海運發展股份有限公司 (COSCO SHIPPING Development Co., Ltd.) (listed in Shanghai and Hong Kong) and a non-executive director of Piraeus Port Authority S.A. (listed in Athens) and a non-executive director of 上海農村商業銀行股份有限公司 (Shanghai Rural Commercial Bank Co., Ltd.) (listed in Shanghai). She had been the deputy manager of the capital operation office of the Strategic Development Division of 中國遠洋運輸(集團)總公司 (China Ocean Shipping (Group) Company) (now known as 中國遠洋運輸有限公司 (China Ocean Shipping Co., Ltd.)/中國遠洋控股股份有限公司 (China COSCO Holdings Company Limited) (now known as 中遠海運控股股份有限公司 (COSCO SHIPPING Holdings Co., Ltd.)), and the manager of capital operation office of the Capital Management & Operation Division of 中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited). Ms. Zhang graduated from Beijing Normal University with a Master's degree in economics, majoring in international investment and international trade. She is a senior economist and a certified public accountant.



◆ Ms. Zhang Xueyan

Profile of Directors and Senior Management

aged 52, has been the Executive Director of the Company since January 2025 and is a chairman of Environmental, Social and Governance Committee, a member of Strategic Development Committee and Risk Management Committee of the Company. He is the chief accountant of the Company and a director of various subsidiaries of the Company. He is also the chief accountant of COSCO SHIPPING (Hong Kong) Co., Limited (direct controlling shareholder) and COSCO SHIPPING (Hainan) Co., Ltd.. Mr. Wang has been the deputy manager of European Settlement Business Division of Finance Department, the business manager of SAP application project division of Finance Department, the person in charge of SAP application project division of Finance Department of COSCO Container Lines Co., Ltd. (now known as COSCO SHIPPING Lines Co., Ltd.), the deputy general manager and the general manager of Financial Shared Service Center of COSCO SHIPPING Lines Co., Ltd., the general manager of Finance Department of COSCO Container Lines Europe GmbH, and the general manager of Finance and Management Division of COSCO SHIPPING Lines (Europe) GmbH. Mr. Wang has extensive experience in financial management, investment management and capital operation. Mr. Wang graduated from Shanghai Maritime College (now known as Shanghai Maritime University), majoring in accounting.



◆ Mr. Wang Yong

aged 76, has been the Independent Non-executive Director of the Company since February 2004 and is a chairman of Nomination Committee, a member of Audit Committee, Remuneration Committee and Corporate Governance Committee of the Company. Mr. Tsui is a director of Industrial and Commercial Bank of China (Asia) Limited and also an independent non-executive director of a number of listed companies in Hong Kong, namely, Pacific Online Limited, Hua Medicine and Bria Biosciences Limited. He is also an independent non-executive director of Melco Resorts & Entertainment Limited (listed on NASDAQ), which is an overseas listed company. Mr. Tsui was the chairman and director of WAG Worldsec Corporate Finance Limited from 2006 to 2016, and previously served as independent director of ATA Creativity Global (listed on NASDAQ) until his resignation in February 2026. Mr. Tsui graduated from the University of Tennessee, the United States and was awarded a Bachelor of Science degree and a Master of Engineering degree in Industrial Engineering and had completed the Program for Senior Managers in Government at the John F. Kennedy School of Government at Harvard University, the United States. He was the chairman of Hong Kong Securities Institute from 2001 to 2004 and the chief operating officer of Hong Kong Exchanges and Clearing Limited in 2000 and the adviser and council member of the Shenzhen Stock Exchange from July 2001 to June 2002. He has numerous years of experience in finance and administration, corporate and strategic planning, information technology and human resources management.



◆ Mr. Tsui Yiu Wa, Alec

aged 72, has been the Independent Non-executive Director of the Company since April 2007 and is a chairman of Remuneration Committee, a member of Audit Committee, Nomination Committee and Corporate Governance Committee of the Company. He is an independent non-executive director of PetroChina Company Limited (listed in Hong Kong, Shanghai and New York) and a chairman of Cyber City International Limited. Mr. Jiang is also a director of China Foundation for Disabled Persons and a senior associate at the Judge Business School of Cambridge University of England. Mr. Jiang received his Bachelor's degree from Beijing Foreign Studies University, Master's degree from Australian National University and Doctorate's degree in Economics from Cambridge University of England. Mr. Jiang was the deputy chief of United Nations Joint Staff Pension Fund Investment Management Service, a trustee of Cambridge China Development Trust and a member of the 11th and 12th Sessions of the National Committee of the Chinese People's Political Consultative Conference and a member of the United Nations Investments Committee. He has extensive experience in fund management.



◆ Mr. Jiang, Simon X.

aged 76, has been the Independent Non-executive Director of the Company since July 2020 and is a chairman of Audit Committee, a member of Nomination Committee, Remuneration Committee and Corporate Governance Committee of the Company. Mr. Kwong is also an independent non-executive director of a number of listed companies in Hong Kong, namely, Agile Group Holdings Limited, Chow Tai Fook Jewellery Group Limited, FSE Lifestyle Services Limited, Henderson Investment Limited and Henderson Land Development Company Limited. He was an independent non-executive director of NWS Holdings Limited (now known as CTF Services Limited) (listed in Hong Kong) until his retirement in November 2022 and an independent non-executive director of Piraeus Port Authority S.A. (listed in Athens) until his retirement in July 2025. Mr. Kwong graduated from The University of Hong Kong with a Bachelor's degree in social sciences in 1972 and is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants respectively. Mr. Kwong was a partner of an international big four accounting firm from 1984 to 1998 and an independent member of the Council of The Stock Exchange of Hong Kong Limited from 1992 to 1997, during which he had also acted as the convener of both the listing committee and the compliance committee of The Stock Exchange of Hong Kong Limited. He has over 40 years of experience in accounting and auditing.



◆ Mr. Kwong Che Keung, Gordon

The Directors' interests in shares and underlying shares of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as at 31 December 2025 which were required to notify the Company and the Stock Exchange, are disclosed in the section headed "Directors' Interests in Securities" of the Directors' Report.

Mr. Zhu Changyu is a director and the president of COSCO SHIPPING (Hong Kong). Mr. Ma Xianghui is a general manager of Finance and Accounting Division of COSCO SHIPPING and a director of COSCO SHIPPING (Hong Kong). Ms. Zhang Xueyan is a deputy general manager of Capital Management & Operation Division of COSCO SHIPPING. Mr. Wang Yong is the chief accountant of COSCO SHIPPING (Hong Kong). COSCO SHIPPING (Hong Kong) is the substantial shareholder of the Company and the wholly-owned subsidiary of COSCO SHIPPING. As such, each of COSCO SHIPPING (Hong Kong) and COSCO SHIPPING is deemed to have, an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO respectively, details of which are disclosed in the section headed "Substantial Shareholders" of the Directors' Report.

Profile of Directors and Senior Management

Save as disclosed in the Directors' respective biographical details under "Profile of Directors and Senior Management" and other part in this annual report, the Directors (a) have not held any directorships in other listed public companies whether in Hong Kong or overseas in the past three years; (b) do not hold any other positions in the Company and its subsidiaries; and (c) do not have any other relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company as at 31 March 2026.

Each of the Directors referred to under "Profile of Directors and Senior Management" has entered into a letter of appointment with the Company, details of which are disclosed under section headed "Directors' Service Contracts" of the Directors' Report.

The Directors referred to under "Profile of Directors and Senior Management" (except Mr. Ma Xianghui, Ms. Zhang Xueyan and Mr. Wang Yong) received the Directors' emoluments for the year 2025 which were determined with reference to the prevailing market conditions, director's experience, qualifications and responsibilities involved in the Company. The details of the emoluments of the Directors for the year ended 31 December 2025 on a named basis are disclosed in note 24 to the financial statements.

SENIOR MANAGEMENT

Mr. Lin Jian

age 59, has been a deputy general manager of the Company since May 2025. He is also a vice president of COSCO SHIPPING (Hong Kong) Co., Limited, and a deputy general manager of COSCO SHIPPING (Hainan) Co., Ltd.. Mr. Lin had been the chairman, the general manager, the vice president and the executive vice president of Hainan Ganghang Holding Co., Ltd., the director of Haikou Transportation and Ganghang Management Bureau (海口市交通運輸和港航管理局), the chairman, the director and the general manager of Haikou City Public Transportation Group Co., Ltd.(海口市公共交通集團有限公司), the general manager of (Hainan Chengyuan Real Estate Development Limited (海南誠源房地產開發有限公司), assistant to the general manager of Haikou Harbor Group Company (海口港集團公司), the vice chairman and secretary to the board of Hainan Strait Shipping Co., Ltd.. Mr. Lin has extensive experience in strategic planning and investment management, etc.. He graduated from Shanghai Maritime College (now known as Shanghai Maritime University), majoring in marine transport economics and obtained a Bachelor's degree in economics, and is an assistant economist.

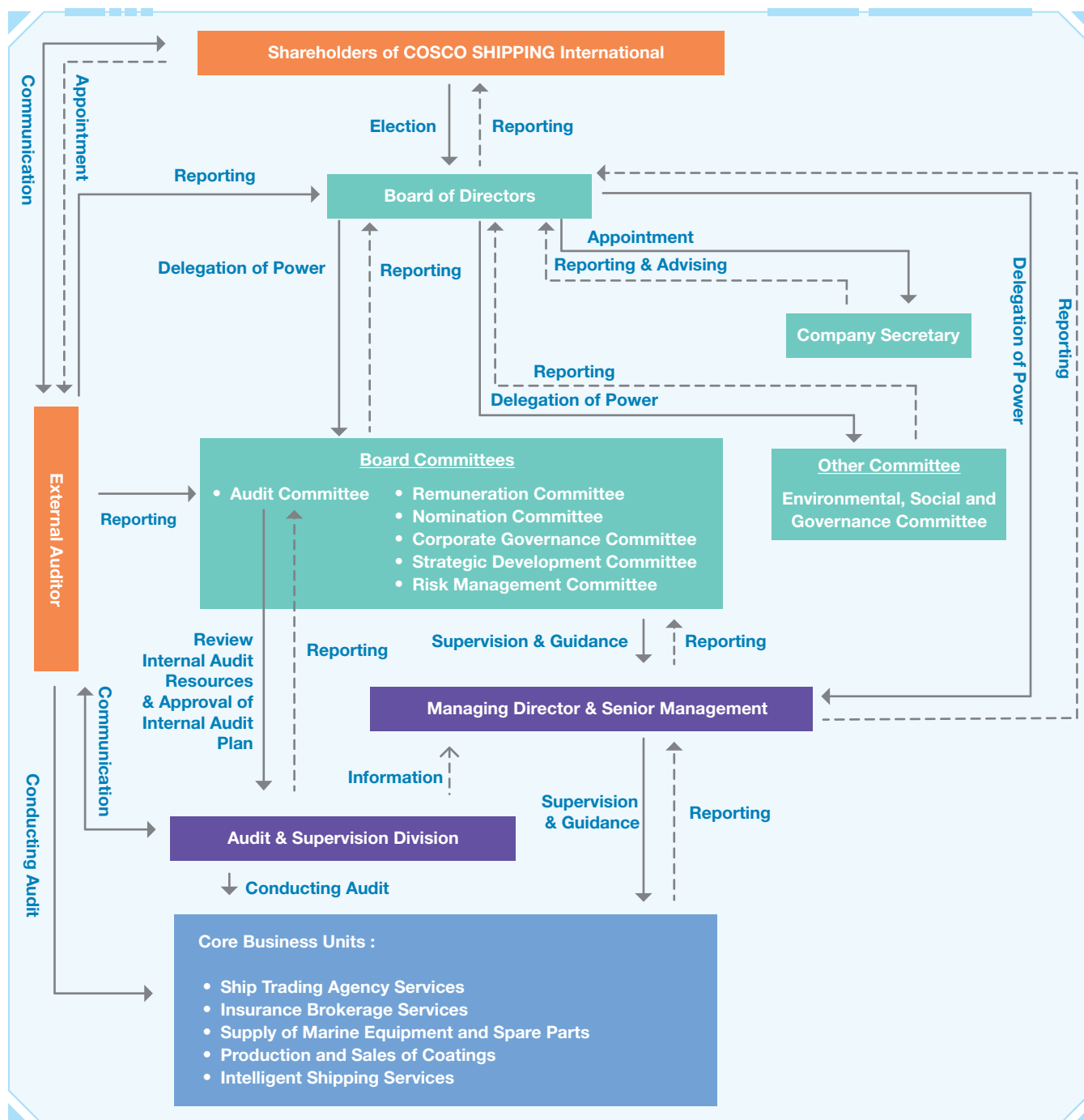
Ms. Chiu Shui Suet

aged 59, has been the Company Secretary of the Company since October 2005. She is also the secretary of six Board Committees of the Company and the company secretary of various subsidiaries of the Company. Ms. Chiu is in charge of corporate governance, legal, risk management, company secretarial, investor relations and related matters of the Company. Ms. Chiu obtained a Bachelor of Laws degree from the University of Wolverhampton and completed her Postgraduate Certificate in Laws at City University of Hong Kong. Ms. Chiu was admitted as a solicitor in Hong Kong. Besides being a member of the Law Society of Hong Kong, she is also a fellow member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional dual designations. Prior to joining the Company, Ms. Chiu had worked for various entities including accounting firms, legal firm and listed companies. She is well conversant with business law and company law and has extensive experience and solid knowledge in dealing with the company secretarial, corporate governance and legal matters for private and listed companies.

Corporate Governance Report

THE COMMITMENT AND COMPLIANCE OF THE COMPANY

The Board and the management of the Company are committed to attaining and maintaining high standards of corporate governance practices and procedures throughout the Group. The Company believes that high standards of corporate governance provide a good framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standard of accountability, protect the interests of the Company and its Shareholders and enhance the Shareholders' value.



The Company has complied with all the code provisions of the Corporate Governance Code (“CG Code”) set out in Appendix C1 to the Listing Rules during the year ended 31 December 2025, except that (a) Ms. Zhang Xueyan, the Non-executive Director was unable to attend the annual general meeting of the Company held on 30 May 2025 (the “2025 AGM”) due to other business commitment and Mr. Ma Xianghui, the Non-executive Director was unable to attend the special general meeting of the Company held on 23 December 2025 (the “2025 SGM”) due to other business commitment, which deviated from the code provision C.1.5 of the CG Code and (b) the roles of Chairman and Managing Director are currently performed by the same individual, Mr. Zhu Changyu, which deviated from the code provision C.2.1 of the CG Code. Regarding the deviation from the code provision C.1.5 of the CG Code, despite the absence of Ms. Zhang Xueyan at the 2025 AGM and Mr. Ma Xianghui at the 2025 SGM, they communicated with the Chairman and/or the senior management of the Company to discuss feedback received from the Shareholders after the general meetings in a bid to develop a better and balanced understanding of the views of the Shareholders. Regarding the deviation from code provision C.2.1 of the CG Code, although the roles of the Chairman and the Managing Director are performed by the same individual, the Board believes that the roles of the Chairman and Managing Director being performed by the same individual will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) all the Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among others, that he/she acts for the benefit and in the best interests of the Company; (ii) the balance of power and authority is ensured by the operations of the Board; and (iii) the overall strategy and other key business, financial and operational policies of the Company are made collectively after thorough discussion at both the Board and senior management of the Company. There is no other matter deviated from the CG Code. The Company aims to continually review and enhance its corporate governance practices in light of best practices.

The corporate governance framework of the Company is underpinned by a wide range of corporate guidelines, policies and procedures which guide the Group to achieve its goals in consistence with its corporate culture and core values.

Directors and employees are expected to follow these corporate governance policies and guidelines of the Company (as listed below) thoroughly and completely in order to support the Board to attain the high standards of corporate governance in compliance with the code provisions of the CG Code.

- Corporate Governance Statement of Policy
- Code of Conduct regarding Securities Transactions of Directors and Employees
- Whistleblowing Policy
- Information Management Method
- Director Appointment Policy
- Terms of Reference for Each of Board Committees
- Board Diversity Policy
- Workforce Diversity Policy
- Shareholders Communication Policy
- Connected Transaction Management Method

These guidelines, policies and procedures are reviewed by the Board from time to time and updated in line with the revised applicable rules and regulations as well as the current market practices. All these are available on the Company’s website.

The Company also maintains employee management measures providing guidance to employees on matters such as ethical standards, business conduct, employee conduct and reporting any misconduct within the Group. The employee management measures ensure all employees of the Group strictly comply with the policies therein. Through the establishment of performance charter for the management and appropriate performance assessment mechanisms, the Company has been able to align the interests of the management and all the employees with the growth and performance of the Company. The Company pays particular attention to the establishment of an optimal corporate culture. With the support of all employees, the Company has identified, formulated and embedded a corporate culture that is considered appropriate for its unique circumstances, thereby ensuring that good corporate governance is maintained at all levels and at all times within the Group. In addition to complying with applicable statutory requirements, the Company will continually review and enhance its corporate governance practices in light of local and international best practices.

THE BOARD

The Board currently comprises seven Directors, namely, Mr. Zhu Changyu (Chairman and Managing Director) and Mr. Wang Yong as Executive Directors; Mr. Ma Xianghui and Ms. Zhang Xueyan as Non-executive Directors; and Mr. Tsui Yiu Wa, Alec, Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon as Independent Non-executive Directors, whose biographical details are set out in the “Profile of Directors and Senior Management” of this annual report and also available on the Company’s website. An updated list of the Directors by category identifying their roles and functions is available on the websites of the Stock Exchange and the Company. Each Director confirms twice a year any changes in the information pursuant to the code provision C.1.4 of the CG Code and any changes will be disclosed in the annual reports or interim report (as appropriate).

Executive Directors are mainly responsible for the day-to-day operation and management of the Company. Non-executive Directors (including Independent Non-executive Directors) are well aware of their functions and have been actively performing their functions including but not limited to making independent judgments at Board meetings, taking the lead where potential conflicts of interests arise and scrutinising the Company’s performance. Non-executive Directors and Independent Non-executive Directors have from time to time contributed to the Board with their constructive and valuable advice on the development of the Company’s strategy, in particular the internal controls of the Company. The Board had at all times during the year complied with the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors with at least one Independent Non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise and Audit Committee comprised three Independent Non-executive Directors. Besides, each of the Independent Non-executive Directors serves as a member of Board Committee(s), details of which are set out in the sub-section of “Board Committees” under the section headed “The Board” of this report. Annual written confirmation from each of the Independent Non-executive Directors confirming his independence in accordance with Rule 3.13 of the Listing Rules was received by the Company. The Company has assessed their independence and considers that all the Independent Non-executive Directors are independent after taking into account the independence criteria in accordance with the requirements of the Listing Rules set out in the confirmation letters, the non-involvement of Independent Non-executive Directors in the

day-to-day operation and management of the Group and the absence of any relationship which would interfere with the exercise of their independent judgment. There is no financial, business, family or other material/relevant relationship among Board members.

During the year, the Chairman met with the Independent Non-executive Directors without the presence of other Directors. The Board regarded such meeting as an opinion exchange gathering whereby a broad range of strategic and performance matters were openly discussed.

In order to discharge the duties, all Directors are entitled to seek independent professional advice, if necessary, at the Company’s expense in appropriate circumstances. Directors and Officers Liability Insurance has been arranged and subject to annual review.

The Board is collectively responsible and accountable to the Company’s shareholders and stakeholders for the long-term success of the Group. The Board plays a leading role, with ultimate responsibilities, in defining the Company’s purpose, values and strategy, and promoting the desired culture across the Group and overseeing its conduct and affairs for promoting the long-term success of the Group, as well as ensuring that leadership is exercised within a framework of effective controls. The Board is responsible for overseeing all major matters of the Company which include formulating and approving the Company’s operational strategies, management policies, internal control and risk management systems, reviewing the Company’s policies and practices on corporate governance, setting the objectives and targets for the management with a view to enhance the Shareholders’ value, monitoring performance of the management and providing guidance to the management. The Directors have to make decisions objectively in the interests of the Company and the Shareholders.

The overall management of the Company’s business is vested in the Board. The Board delegates to the Managing Director and the senior management of the Company the day-to-day management, administration and operation of the Company and implementation of strategy, which include evaluating businesses and operational performance, ensuring effective implementation of the Board’s decisions, ensuring adequate funding and monitoring performance of the management of the Group.

The segregation of duties and responsibilities between the Board and the management is clearly defined in the internal guidelines of the Company. The senior management of the Company is being closely monitored by the Board through the

Managing Director and is accountable for the performance of the Company as measured against the business targets and management directions set by the Board. The Managing Director and the management of relevant subsidiaries and divisions of the Company communicated closely to review and discuss operational and financial matters in order to enhance and strengthen internal communications and cooperation within the Group. The delegated functions and work tasks were being periodically reviewed by the Company.

Remuneration of Directors

The Company's Human Resources Division assists the Remuneration Committee to discharge its duties by providing relevant remuneration data and market conditions information for Remuneration Committee's consideration. The remuneration of Directors and the senior management of the Company is determined with reference to their expertise and experience in the industry, the Company's performance and profitability as well as remuneration benchmarks from other listed companies and the prevailing market conditions. The remuneration packages, promotions and specific adjustments in remuneration of the Executive Directors and the senior management of the Company are determined by the Remuneration Committee. The director's emoluments of the Non-executive Directors (including Independent Non-executive Directors) are recommended by the Remuneration Committee to the Board and determined by the Board. Each interested Director should avoid his/her conflicts of interest in matters relating to his/her own remuneration by abstaining from voting on the relevant resolutions. Emoluments paid to Directors and the senior management of the Company by band for the year are disclosed in notes 23 to 24 to the financial statements of this annual report.

Nomination, Appointment and Re-election of Directors

The Company adopted the Director Appointment Policy (available on the Company's website) which provides mechanisms and standards for the appointment of high calibre directors who should have the capacity and ability to lead the Company towards achieving sustainable development. The Nomination Committee is responsible for identifying and nominating suitable candidates for the Board's consideration. Pursuant to the bye-laws of the Company, any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting, and every Director shall be subject to retirement by rotation at least once every three years and shall be eligible for

re-election at such annual general meeting of the Company. Any further re-appointment of an Independent Non-executive Director, who has served the Board for more than nine years, will be subject to a separate resolution to be approved by the Shareholders. In addition, the Nomination Committee recommends the proposal for re-election of Director(s) at the annual general meeting of the Company. Each of Mr. Tsui Yiu Wa, Alec, Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon, being Independent Non-executive Directors, has entered into a letter of appointment with the Company on 31 May 2024 for a term commencing from 31 May 2024 to the conclusion of the 2026 annual general meeting of the Company. Mr. Ma Xianghui, being the Non-executive Director, has entered into a letter of appointment with the Company on 26 June 2024 for a term commencing from 26 June 2024 to the conclusion of the 2026 annual general meeting of the Company. Ms. Zhang Xueyan, being the Non-executive Director, has entered into a letter of appointment with the Company on 24 January 2025 for a term commencing from 24 January 2025 to the conclusion of the 2027 annual general meeting of the Company. Each of the above letters of appointment is subject to termination by either party giving one month's prior notice in writing or such other shorter notice period as may be agreed by both parties. In addition to the Independent Non-executive Directors and the Non-executive Directors, each Executive Director was appointed for a specific term and a letter of appointment setting out the key terms and conditions of appointment was entered into between the Company and each of the Directors, details of which are set out in the "Directors' Report" of this annual report. As at 31 December 2025, Mr. Zhu Changyu, Mr. Ma Xianghui, Ms. Zhang Xueyan, Mr. Wang Yong, Mr. Tsui Yiu Wa, Alec, Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon served as Director for about 2.5 years, 1.5 years, 1 year, 1 year, 22 years, 18.5 years and 5.5 years respectively.

Director Appointment Policy

The Director Appointment Policy sets out the key nomination criteria, process and procedures for governing the new appointments and re-appointments of directors and provides guidelines to the Nomination Committee in order to ensure that the composition of the Board is appropriate, and that there are effective succession planning and suitable robust evaluation. Appointment of Board member(s) will be made on merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The latest Director Appointment Policy adopted by the Company is available on the website of the Company.

Board Skills Matrix

To ensure the Board has appropriate skills, experience and diversity that are relevant to the strategy, governance and business of the Company and excellent qualities of leadership which underpin its effectiveness and efficiency, an analysis of the skill set mix was considered by the Nomination Committee.

The table below provides details of the skill set of the Directors illustrating their extensive skills and experience related to the Company's business as well as how they contribute to the Board and the Company.

	Relevant Industry Experience	Executive Leadership	Strategic Planning	Professional (Accounting/ Engineering/ HR/Legal) and Risk Management	Sustainability/ Corporate Governance	Technology/ Digitalisation
Executive Directors						
Mr. Zhu Changyu	✓	✓	✓	✓	✓	✓
Mr. Wang Yong	✓	✓	✓	✓		✓
Non-executive Directors						
Mr. Ma Xianghui	✓	✓	✓	✓		
Ms. Zhang Xueyan	✓	✓	✓	✓		
Independent Non-executive Directors						
Mr. Tsui Yiu Wa, Alec		✓	✓	✓	✓	✓
Mr. Jiang, Simon X.		✓		✓	✓	
Mr. Kwong Che Keung, Gordon		✓		✓	✓	

The Company has identified 6 skill sets reflecting skills and experience possessed by the Board to effectively and prudently manage the operations of the Company, fulfil its duties, and deliver outcomes to its shareholders and stakeholders as agreed by the Board from time to time. The Nomination Committee considers that the Director who possesses the relevant industry experience and executive leadership can provide effective strategic guidance to and drive growth of the business operation by understanding market dynamics and operational challenges and, ultimately, assist the Company to achieve the goals and generate values. With their strategic planning skills, the Directors are able to set the long-term direction for the Company by acting decisively and making prompt decisions in uncertain environments. Diverse professional backgrounds acquired by the Directors can offer valuable specific knowledge and expertise to the Board while sustainability and corporate governance expertise can help drive sustainable growth for the business and build long-term value for the stakeholders. In alignment with the new industrial trend of green decarbonisation and digital transformation in shipping, technology expertise possessed by the Directors can drive innovation and ensure that the Company remains competitive and adaptive in a rapidly changing digital landscape. Each of the skills (except for technology/digitalisation skills) of the Board Skills Matrix is possessed by at least a majority of the Directors. Although only three Directors have acquired the technology/digitalisation expertise, other Directors have gained exposure to relevant technology knowledge through attending relevant seminars, workshops and reading materials.

The Board Skills Matrix is checked periodically to ensure that the Board in aggregate possesses the requisite skills and expertise to effectively discharge its duties and responsibilities in attaining the strategic objectives of the Company and achieving sustainable and balanced development for the Group. Based on the assessment of the Board Skills Matrix, it is indicated that the Board currently has the appropriate and diverse mix of skills, experience and expertise to govern the Company in pursuing its purpose, values and strategy efficiently and effectively.

Board Performance Evaluation

The Company considers board performance evaluation as an essential tool for assessing Board effectiveness. The Nomination Committee conducted an internal board and committees performance evaluation for 2025 with the assistance of the Public Relations Division of the Company. The evaluation parameters include, amongst others, the independence of the Independent Non-executive Directors and the contribution of the Board members in terms of the attendance at the general meetings, and board meetings and board committee meetings, specific performance by the board members, alignment with the Board culture and practices, development and training, stakeholder engagement and risk management, internal controls and compliance. The results show that the Directors are satisfied with the performance of the Board.

Board Diversity and Workforce Diversity

The Company strives to maintain a diverse Board and recognises the benefits of having a Board made up of individuals with a diverse mix of gender, age, race, skills, regional and industry experience or professional experience, culture, educational background and other qualities. In 2025, the Board, through the Nomination Committee, conducted a review of the Board Diversity Policy to ensure that the Company continues to drive diversity and provides perspectives that the Board considers enhancing its dynamics so as to align with the latest corporate governance practice. The Board Diversity Policy is available on the website of the Company, which sets out the approach to achieve diversity on the Board.

As at the date of this report, the Board comprised one female Director out of seven Directors, representing approximately 14.29% of the Board. During the year, the Company made a pledge to maintain not less than one female member on the Board. The Company would follow the Board Diversity Policy and the Director Appointment Policy and take into account various factors to identify suitable candidates for appointment to the Board, and may adjust the proportion of female directors over time as and when appropriate. The Company will continue to explore ways to establish a sustained momentum for nominating and selecting candidates to achieve board diversity in all aspects, including but not limited to gender, the skills and experience acquired. Diversity is taken into account in its broadest sense when considering succession planning at the Board. Skills matrix is a key tool used by the Nomination

Committee to inform the Board the succession planning discussions. The Nomination Committee will consider the potential successors to the Board with regard to the Board Diversity Policy together with the targets and expectations set up for achieving a diverse board.

In striving to maintain gender diversity across all workforce levels (including senior management) (excluding joint ventures and associates), the Company has adopted a Workforce Diversity Policy with an objective of maintaining equal employment opportunities which ensure all candidates are treated in a fair and transparent manner and assessed based on their qualifications and experience regardless of their gender. Regarding diversity in workforce (including senior management of the Company), as at 31 December 2025, male employees and female employees accounted for 70% and 30%, respectively, of the total number of employees of the Group. The Company considers that the gender diversity across overall workforce (including senior management of the Company) stands at a reasonable level as the shipping services industry is widely recognised to be a male-dominated profession. The Company will continue to review the gender diversity from time to time and take necessary steps to promote diversity in alignment with the industry, culture and best market practice. For details of the hiring practices of the Company, please refer to the section headed “EMPLOYEE MANAGEMENT” of the Environmental, Social and Governance Report.

The Board currently consists of seven members who have well-recognised experience in areas such as accounting, corporate finance, corporate management, strategic planning, information technology and human resources management. Their insightful advice, diverse skills and extensive business experience are major contributions to the future development of the Company, and offer checks and balances to the Board.

Induction and Continuous Professional Development

Every newly appointed Director will receive a comprehensive information package containing an introduction to the operations and business of the Group, guidelines on directors’ duties, outlines on disclosure of interest in securities, policies on dealings in the Company’s securities, guidelines on disclosure of inside information and disclosure obligations of a listed company under the Listing Rules, etc.. The Company engages an external legal adviser from a firm of solicitors qualified to advise

on Hong Kong laws to give advice on the directors' duties and responsibilities under the applicable laws and regulations and other requirements under the Listing Rules, before the appointment becomes effective. Ms. Zhang Xueyan and Mr. Wang Yong were appointed as a Non-executive Director and an Executive Director respectively on 24 January 2025. In respect of their appointments, Ms. Zhang Xueyan and Mr. Wang Yong confirmed their respective understanding of the obligations as directors of the Company and obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 17 January 2025 and 22 January 2025 respectively.

In order to maintain the relevance of the skills and knowledge and stay updated on industry trend, all Directors participate in various formats or modes of continuous professional development and training relevant to the Company's business or directors' duties arranged by the Company or external organizations. Each of the Directors provides a record of the training he/she received to the Company annually. The Company Secretary also updates the Directors on the latest developments and changes to the Listing Rules and the applicable regulatory requirements regarding subjects necessary to discharge their duties and responsibilities.

During the year ended 31 December 2025, Mr. Zhu Changyu, Mr. Ma Xianghui, Ms. Zhang Xueyan, Mr. Wang Yong, Mr. Tsui Yiu Wa, Alec, Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon participated in the continuous professional development and training as required by Rules 3.09F and 3.09G of the Listing Rules by way of (i) reading guidelines, memoranda, reports, updates and other papers prepared or compiled from time to time by or for the Company; (ii) attending briefings/seminars/conferences/courses/workshops organised by the Company, professional bodies and/or government authorities; and (iii) reading news/journals/magazines/other materials, covering the scope of director's duties, compliance of Listing Rules, Companies Ordinance and relevant laws, corporate governance, ESG, risk management, internal controls, industry and business updates.

Directors' Responsibilities for Financial Reporting and Disclosures

Management of the Company was required to provide detailed report(s) and explanation to enable the Board to make an informed assessment of the financial and other information put forward for its approval. Management of the Company provided all members of the Board with monthly reports, content of which includes the updated and understandable information of the Company's business operating performance, the progress

of potential project (if any), work done in investor relations and details of share price to enable each Director to discharge his/her duties and make informed decisions.

The Directors acknowledged their responsibilities for preparing the financial statements of the Group. The Directors were not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern. The Company aimed to present a clear and balanced assessment of its financial position and prospects. The Board must ensure that the financial statements of the Group can give a true and fair view of the financial status of the Group. Audited financial statements are published in accordance with the disclosure requirements under the Listing Rules. The reporting responsibilities of the Directors and the external auditor are further set out in the "Independent Auditor's Report" of this annual report. Other financial disclosures required under the Listing Rules are disclosed pursuant to statutory requirements. The Company is committed to ensuring compliance with regulatory requirements under the Listing Rules, applicable laws and regulations in handling connected transactions. Accordingly, the Company implemented various internal control mechanisms to capture and monitor connected transactions to ensure that connected transactions are conducted on normal commercial terms or on terms that are fair and reasonable, properly disclosed, and (if necessary) approved by independent shareholders in accordance with the Listing Rules. Connected person(s) will be required to abstain from voting at the general meeting(s). Details of the connected transactions of the Company during the year are set out in the "Directors' Report" of this annual report.

Securities Transactions of Directors and Relevant Employees

The Company has adopted a Code of Conduct regarding Securities Transactions of Directors and Employees (the "Securities Code") (available on the Company's website), on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix C3 to the Listing Rules. In order to ensure Directors' dealings in the securities of the Company are conducted in accordance with the Model Code and the Securities Code, a committee was set up to deal with such transactions. The Company had made specific enquiries to all Directors regarding any non-compliance with the Model Code and the Securities Code during the year of 2025 and all Directors confirmed that they had complied with the required standards as set out in the Model Code and the Securities Code during the year.

Board Meetings

The Board met regularly and held four regular meetings in 2025. Notice of meeting was given to the Directors at least 14 days prior to each regular Board meeting. The Directors were invited to include any matters which they thought appropriate in the agenda. Agenda and board papers with adequate information were sent to all Directors at least 3 days before the meeting in order to ensure that they had sufficient time to review the board papers and prepare for the meeting. At each regular Board meeting, the Directors were properly briefed on the Company's current situation and issues arising at such meeting. Executive Director(s) and/or chairman of Board Committee(s) and/or the senior management of the Company reported to the Board on various aspects, including the business performance, financial performance, corporate governance, risk management and internal control as appropriate. Queries raised by the Directors were responded to promptly by the senior management of the Company. Directors were encouraged to make an active contribution to the Board's affairs and express their views and concerns. Sufficient time was allowed for the Directors to discuss matters which they were concerned. For any Director who was or would be unable to attend the regular Board meeting, he/she was properly briefed on the matters to be discussed in advance and his/her view expressed prior to the meeting was reported to the Board.

Minutes of the Board meetings and the Board Committee meetings were recorded in sufficient detail regarding the matters discussed and the decisions reached. Draft minutes were sent to the Directors and Board Committee members respectively for their review and comment within a reasonable time (generally within 7 days) after each meeting. Final version of minutes of respective meetings had been sent to the Directors or relevant Board Committee members.

Directors played an important role at the Company's meetings through contribution of their opinions and active participation in discussion. The attendance record of each of the Directors for the Board meetings, the Board Committee meeting(s) and the general meeting(s) held during the year is listed as follows:

	Annual General Meeting	Special General Meeting	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting/ Written Resolution	Corporate Governance Committee Meeting	Strategic Development Committee Meeting	Risk Management Committee Meeting/ Written Resolution
Executive Directors									
Mr. Zhu Changyu	1/1	1/1	4/4	N/A	4/4	2/2	2/2	1/1	1/1
Mr. Wang Yong	1/1	1/1	4/4	N/A	N/A	N/A	N/A	1/1	1/1
Non-executive Directors									
Mr. Ma Xianghui	1/1	0/1	2/4	N/A	N/A	N/A	N/A	N/A	1/1
Ms. Zhang Xueyan	0/1	1/1	3/4	N/A	N/A	1/1	N/A	N/A	N/A
Independent Non-Executive Directors									
Mr. Tsui Yiu Wa, Alec	1/1	1/1	4/4	3/3	4/4	2/2	2/2	N/A	N/A
Mr. Jiang, Simon X.	1/1	1/1	4/4	3/3	4/4	2/2	2/2	N/A	N/A
Mr. Kwong Che Keung, Gordon	1/1	1/1	4/4	3/3	4/4	2/2	2/2	N/A	N/A

Board Committees

The Board delegates its power and authorities from time to time to the Board Committees in order to ensure the operational efficiency and specific issues are handled by relevant expert(s). The Board currently has six Board Committees, namely, Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee, Strategic Development Committee and Risk Management Committee with respective terms of reference which clearly defined their authorities and duties. The terms of reference of Audit Committee, Remuneration Committee and Nomination Committee are available on the websites of the Stock Exchange and the Company and the terms of reference of Corporate Governance Committee, Strategic Development Committee and Risk Management Committee are available on the website of the Company. The chairmen of the Board Committees report regularly to the Board of their works, findings and recommendations. All Board Committees are provided with accurate and sufficient information in a timely manner so as to enable the Board Committees to make informed decisions for the benefit of the Company and are provided with sufficient resources to discharge their duties, and may have access to external professional advice, if necessary, at the Company's expense.

(a) Audit Committee

Members	Currently, comprised of three Independent Non-executive Directors, namely, Mr. Kwong Che Keung, Gordon (committee chairman), Mr. Tsui Yiu Wa, Alec and Mr. Jiang, Simon X..
Major responsibilities	— reviewing the accounting policies and supervising the Company's financial reporting process; — monitoring the performance of both the internal and external auditors; — monitoring the effectiveness of the financial reporting, risk management and internal control systems; — ensuring compliance with applicable statutory accounting and reporting requirements; — reviewing the financial information of the Company; and — acting as the key representative body responsible for overseeing the relationship between the Company and the external auditor, including the relationships involving the provision of non-audit services.
Major work performed during the year 2025	— reviewing and making recommendations for the Board's approval on 2024 annual results announcement, the audited consolidated financial statements for the year ended 31 December 2024, 2025 interim results announcement, interim report 2025 and the unaudited condensed consolidated financial information for the six months ended 30 June 2025; — reviewing the report of external auditor; — reviewing the continuing connected transactions of the Group for the year ended 31 December 2024 and for the six months ended 30 June 2025; — reviewing the effectiveness of the risk management and internal control systems by taking into account of the yearly evaluation of the risk management and internal control system across the business units of the Group by categorising risks, identifying likely control weakness(es) and taking the appropriate measures to reduce the risks and weakness(es) for the year ended 31 December 2024; — reviewing the compliance of code of conduct self-evaluation report of the Group for the year ended 31 December 2024; — making recommendations to the Board subject to the Shareholders' approval at the 2025 AGM, the appointment of SHINEWING (HK) CPA Limited as the external auditor of the Company; — reviewing the internal audit work and approving the internal audit planning for the year 2026 and external audit plan for the year ended 31 December 2025; and — reviewing the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit, financial reporting function and ESG performance and reporting, and their training programmes and budget.

During the year, three meetings were held by the Audit Committee with major work performed mentioned above.

The Company has the latest Whistleblowing Policy uploaded on the Company's website. Pursuant to the Whistleblowing Policy, employees of the Group and those who deal with the Company have been provided channel(s) and guidelines to report any misconduct, malpractice or impropriety concerns within the Group in confidence and anonymity. The policy includes the establishment of an electronic reporting mailbox and a hotline as the reporting channels of whistleblowing. All reports would be treated as confidential and in a sensitive manner. The Board delegated the authority to the chairman of the Audit Committee or the Audit & Supervision Division to review the complaint and decide how the investigation should proceed. During the year, no complaint from the employees of the Group and those who deal with the Company was received.

(b) Remuneration Committee

Members	Currently, comprised of three Independent Non-executive Directors, namely, Mr. Jiang, Simon X. (committee chairman), Mr. Tsui Yiu Wa, Alec and Mr. Kwong Che Keung, Gordon; and an Executive Director, namely, Mr. Zhu Changyu.
---------	---

Major responsibilities	— making recommendations to the Board on the policy for the remuneration of the Directors and senior management of the Company; — ensuring the remuneration offered to the Directors and senior management of the Company is appropriate for the duties and in line with market practice; — determining the remuneration packages of Executive Directors and senior management of the Company individually with delegated responsibility by the Board; and — making recommendations to the Board on the remuneration of Non-executive Directors.
------------------------	--

Major work performed during the year 2025	— reviewing and making recommendations to the Board on the Directors' fees of Independent Non-executive Directors for the year 2025; — reviewing the remuneration report of the Group including determining the salary package for senior management of the Company; and — reviewing and approving the terms set out in the letter of appointment of the newly appointed Directors, Ms. Zhang Xueyan and Mr. Wang Yong, and one existing Director.
---	--

During the year, four meetings were held by the Remuneration Committee with major work performed mentioned above.

(c) Nomination Committee

Members	Currently, comprised of three Independent Non-executive Directors, namely, Mr. Tsui Yiu Wa, Alec (committee chairman), Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon; an Executive Director, namely, Mr. Zhu Changyu; and a Non-executive Director, namely, Ms. Zhang Xueyan.
Major responsibilities	— reviewing the structure, size and composition of the Board; — making recommendations to the Board on the appointment and succession planning for the Directors; — assessing the independence of Independent Non-executive Directors; — monitoring the annual checks and assessment on the members of the Board, including the suitability and the sufficiency of time commitment of Non-executive Directors; and — monitoring and reviewing the effectiveness and implementation of the Board Diversity Policy.
Major work performed during the year 2025	— recommending the nomination of Ms. Zhang Xueyan as Non-executive Director and Mr. Wang Yong as Executive Director by reviewing their experience, expertise, knowledge and skills against the needs of the Company; and — conducting a review of the Board diversity, assessing the independence of Independent Non-executive Directors and the contributions of the Board members and recommending the submission of the proposal on re-election of Director(s) at the 2026 annual general meeting of the Company.

During the year, a meeting was held by the Nomination Committee and a written resolution was circulated to and signed by all members of the Nomination Committee in relation to the major work performed mentioned above.

(d) Corporate Governance Committee

Members	Currently, comprised of an Executive Director, namely, Mr. Zhu Changyu (committee chairman); and three Independent Non-executive Directors, namely, Mr. Tsui Yiu Wa, Alec, Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon.
Major responsibilities	— formulating and reviewing the Company's policies and practices on corporate governance; — reviewing and monitoring the training and continuous professional development of Directors and/or senior management of the Company; and — reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report of the annual report.
Major work performed during the year 2025	— reviewing the continuous professional development of Directors, the Company's compliance status of the CG Code for the year ended 31 December 2024 and the disclosure of the corporate governance report in the annual report of 2024; and — reviewing the Company's compliance status of the CG Code for the six months ended 30 June 2025.

During the year, two meetings were held by the Corporate Governance Committee with major work performed mentioned above.

(e) Strategic Development Committee

Members	Currently, comprised of two Executive Directors, namely, Mr. Zhu Changyu (committee chairman) and Mr. Wang Yong.
Major responsibilities	— reviewing the annual strategic development plan of the Company and monitoring the implementation of strategies; — reviewing the major investment projects and financing proposals; — reviewing the major capital deployment and project on operation of assets; — reviewing the strategic direction of the Company's business and operational management; and — reviewing and evaluating the project evaluation system(s).
Major work performed during the year 2025	— reviewing and discussing the report on the implementation of strategic development plan for the year 2024 and the strategic development plan for 2025.

During the year, a meeting was held by the Strategic Development Committee with major work performed mentioned above.

(f) Risk Management Committee

Members	Currently, comprised of two Executive Directors, namely, Mr. Zhu Changyu (committee chairman) and Mr. Wang Yong; and a Non-executive Director, namely, Mr. Ma Xianghui.
Major responsibilities	— monitoring the risk management framework to identify and deal with risks faced by the Group (including operational, regulatory and financial risks etc.); — reviewing and assessing the Group's risk management framework; — monitoring the implementation of risk control; and — reporting on how it met its responsibilities in its review.
Major work performed during the year 2025	— reviewing the risk management assessment report in relation to the analysis on risks identified for 2026 (including ESG risks, in particular, the climate issues), the risk management plan covering major risk factors together with their prevention measures, and the improvement of the Company's compliance management system.

During the year, a written resolution was circulated to and signed by all members of the Risk Management Committee in relation to the major work performed mentioned above.

Other Committee

In addition to the above-mentioned Board Committees, an Environmental, Social and Governance Committee (the “ESG Committee”) was set up by the Company with terms of reference which clearly defined its authority and duties. The Board has delegated its ESG function to the ESG Committee. The terms of reference of ESG Committee is available on the website of the Company.

Members	The Committee is currently comprised of not less than four members, including Mr. Wang Yong (committee chairman), an Executive Director, and a representative of each of Operation Management Division, Executive Division, Strategy Development Division, Human Resources Division and Public Relations Division.
Major responsibilities	— assisting to identify, evaluate and manage the risks, opportunities and major issues in relation to ESG aspects; — monitoring the implementation and effectiveness of ESG policies and practices of the Company; and — organising the preparation of the ESG report annually together with reporting and making recommendations to the Board.
Major work performed during the year 2025	— reviewing the ESG report of the Company for the year ended 31 December 2024.

During the year, a meeting was held by the ESG Committee with major work performed mentioned above. All committee members attended the aforesaid committee meeting.

BOARD INDEPENDENCE

The Company recognises that the Board independence is essential to good corporate governance. The Group has in place effective mechanisms that underpin a strong independent Board and ensure that independent views and input are conveyed and available to the Board.

The Independent Non-executive Directors are appointed based on the Director Appointment Policy and Board Diversity Policy of the Company with reference to Rule 3.13 of Listing Rules and their merits and the potential contribution brought to the Company to ensure each of them has the character, integrity, independence and experience to fulfill the role.

The number of Independent Non-executive Directors meets the independence requirements of the Listing Rules with at least one of them having appropriate professional qualifications or accounting or related financial management expertise to ensure unbiased decisions are made in the best interest of the Company. The independence, the suitability, and the sufficiency of time commitment of each of the Independent Non-executive Director, is assessed and monitored by the Nomination Committee on an annual basis. The Directors (including Independent Non-executive Directors) will be provided with

sufficient resources, including access of senior management of the Company and independent professional advice in order to discharge their duties. In addition, the Independent Non-executive Directors would provide independent view while handling connected transactions or continuing connected transactions after taking into account the advice of the independent financial adviser (as the case may be).

INTERNAL CONTROL AND RISK MANAGEMENT

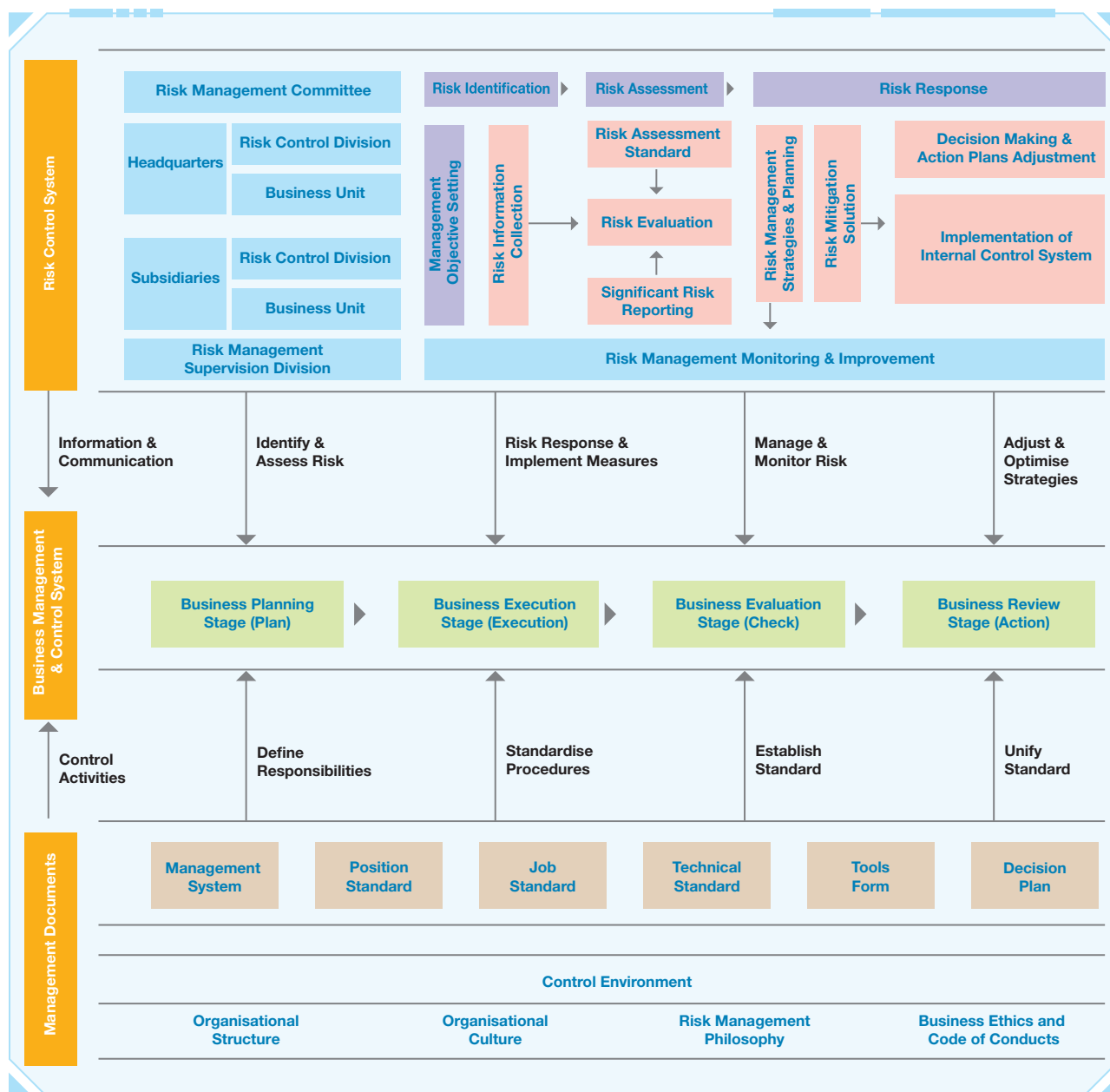
Responsibility

The Board has overall responsibility for ensuring an effective system of risk management and internal control being maintained so as to safeguard the Company’s assets and the Shareholders’ interests. The Board always regards risk management as an important task and believes that effective corporate risk management is an essential element of good corporate governance. To strengthen the effectiveness of supervision in terms of risk management and internal control, the Risk Management Committee and Audit Committee have been established under the Board, which are responsible for monitoring and reviewing the effectiveness of risk management and internal control systems of the Group.

Framework and Approach

The Group had adopted the risk management framework formulated by the Committee of Sponsoring Organizations of the Treadway Commission in the United States as recommended by the Hong Kong Institute of Certified Public Accountants. The purpose of the Group's risk management process is to identify and manage risks, so as to provide reasonable assurance regarding the achievement of the Group's strategic and financial targets. The Group formulated risk management procedures by taking into account adequately the eight elements of this risk management framework: control environment, objective setting, risk identification, risk assessment, risk response, control activities, information and communication, and also monitoring and improvement.

Risk Management Framework of the Group



Control Environment

The Group believes that risk management is the responsibility of everyone within the Group. It strives to foster a corporate culture with risk awareness and control responsibility as its core and to deeply integrate the risk management concepts into all aspects of its internal controls system. The internal controls system covers the Group's critical business processes, including key aspects such as strategy development, business planning, investment decisions, capital allocation and day-to-day operations. The Group also believes that corporate governance is often associated with business ethics. In order to enhance the Company's reputation by the honest, loyal and ethical behaviours of staff, the Group has formulated a formal Staff Code and Whistleblowing Policy. Furthermore, the Group has from time to time arranged staff of different levels, ranging from senior management to front-line staff, to participate in a series of business ethics seminars conducted by the Company or COSCO SHIPPING Group in order to enhance the staff's recognition and commitment to the Staff Code. Management has also conducted annual self-check to see whether the rules and guidelines specified in the Staff Code have been properly adhered to, and the respective written declarations have been docketed and reported to the Audit Committee.

Control Activities

The control activities of each of the core shipping services business units of the Group are built on regular top-level reviews, segregation of duties and physical controls. Currently, the key features of the internal controls system include:

- the establishment of an organisational structure with defined lines of responsibility and delegation of authority;
- the setup of and adherence to authorisation and approval limits of the Company and each business unit;
- the establishment of policies and procedures to support deployment of management's directives;
- the systems and procedures to identify and mitigate risks on an ongoing basis; and
- the application of Enterprise Resource Planning (ERP) systems and other relevant information technology (such as customers compliance risk management system) in business processes to strengthen internal controls and promote internal efficiency.

In addition, the Information Management Method regulates the information management of the Company and ensures inside information being properly disseminated and timely disclosed. With respect to procedures and internal control measures for the handling and dissemination of inside information, the Company informs all Directors, senior management and related staff of the Company of the latest regulations and requirements according to the letters issued or announcements published by the Securities and Futures Commission and the Stock Exchange, and has developed procedures and mechanisms to evaluate whether disclosure of the inside information is required.

Information and Communication

The Group has established a comprehensive information communication mechanism to ensure timely, accurate and complete transmission of information in relation to risk management and internal control across all levels and business units within the Group, as well as between the Board, the Risk Management Committee, the Audit Committee and the management of the Company. Meanwhile, through employee training, internal announcements and communication meetings, the Group ensures all employees understand its risk management and internal control requirements, fostering a communication environment with linkage between senior and front line.

Monitoring and Improvement

The Group has established a continuous monitoring and dynamic improvement mechanism. Through regular reviews, special inspections and internal assessments, the Group continuously reviews the operational effectiveness of its risk management and internal control systems, timely identifies deficiencies and areas for improvement of the systems, and optimises and refines the relevant policies, processes and control measures based on review results, business changes and regulatory requirements to ensure the continuous effectiveness of the systems.

Risk Management Process

The Group seeks to have risk management features embedded in the day-to-day operations. The Group conducts annual risk assessment on the existing or potential risks that may impact the achievement of business objectives over the course of business operation by means of survey, questionnaire and onsite interview from the three perspectives of possibility, frequency and impact of the identified risks, with the participants covering the management, core divisions and business units of the Company. Based on market and operating conditions, the Group determines the corresponding action plans and management targets for the risks identified and regularly communicated and reported the same to the Risk Management Committee and the Board. The management of each business unit of the Group is responsible for managing its respective day-to-day operating risks, and implementing the risk mitigation measures.

The Board delegates to the Risk Management Committee the responsibility of monitoring the implementation of risk management, and continuously reviews the action plans and internal controls on regular basis. There were no significant changes to the Group's risk assessment methodology, process or scope, and also no material changes to the Group's risk management framework and internal control systems in 2025.

Major Operational Risk Factors and Measures

According to the Group's 2026 risk assessment forecast result conducted during the year ended 31 December 2025, the identified top five risks for the year of 2026 are economic fluctuation risk, receivable risk, raw material price fluctuation risk, selling price fluctuation risk and exchange rate risk.

For economic fluctuation risk, as a result of the slowdown in global economic growth, Sino-US trade friction and geopolitical risks, coupled with the changes in Mainland China's environmental and industrial development policies, the increase in uncertainties regarding both domestic and international macroeconomic development and trade conditions may adversely affect the Group's performance and financial position. The Company and its subsidiaries take a more cautious wait and see approach on the policies and markets, and adhere to its strategy of steady development and sustainable operation. In order to actively respond to the impact of the macroeconomic

environment on the business of the shipping services, the Group adjusts its business activities in a timely manner, develops contingency plans in advance in order to minimise losses and avoid disputes and improve the timeliness of risk response.

For receivable risk, certain customers may have greater difficulty in payment as a result of changes in domestic and international macroeconomic policies, and transactions exposed to receivable risks without adopting appropriate protection and collection have resulted in the delay of recovery of receivables. The Company attaches great importance to and refines its accounts receivable management processes and methods. The business units have established a customer credit rating system based on the characteristics of business. Strictly adhering to the working procedures for credit rating of customers, the business units also maintain and dynamically adjust the customer credit rating database. To mitigate operational and customer credit risks, the Group requests business units at all levels to strengthen control at source, make dynamic assessment, and ensure accountability.

For raw material price fluctuation risk, an increase in the price of raw materials will result in an increase in production costs, which will affect each business unit's overall profitability. The Company tracks and prompts the important information in the raw material market in a timely manner. The business units conduct analysis of trends in raw material prices, benchmark against procurement cost data of industry-leading companies, set major targets for raw material cost reduction and advance work in relation to sourcing and procurement of the relevant materials. Special price negotiations are conducted with suppliers to further control costs of key raw materials.

For selling price fluctuation risk, growth of market demand has slowed down. Major competitors may reduce their prices for the purposes of sales promotion, thereby causing malicious price competition in the industry, and affecting the overall profitability. Each business unit timely recognises the market competition environment and the business activities of competitors or potential competitors, reviews and analyses its own products and its operating strategies, fights for more high-margin product sales orders, improves product quality, and reduces management costs, thus laying a good foundation for sustainable and healthy development and coping with the selling price fluctuation risk.

For exchange rate risk, the continuous fluctuation of exchange rates may lead to negative impacts such as decline in export business revenue, increase in import business costs, increase in foreign currency debt, and exchange losses due to currency exchange. In 2026, exchange rate fluctuations may further intensify due to the impact of Sino-US trade relations and the Fed's monetary policy expectations. The Group needs to pay close attention to the important impact of exchange rate fluctuations on its business and financial conditions. Each business unit should strengthen the control and assessment of exchange rate risks, and take corresponding risk management measures in a timely manner to cope with the adverse impact of exchange rate fluctuations, such as adopting flexible pricing strategies to reduce exchange rate risk exposure.

Internal Control Deficiencies and Rectification

In 2025, the Group conducted internal control evaluations in business area such as policies establishment, fund management, financial reporting, procurement management, fixed assets management, customer credit and contract management. There was no material or significant internal control deficiencies have been identified by the Group and no significant control deficiencies of previous years remained unresolved. For general control deficiencies identified through risk assessments and routine monitoring, rectification measures were timely implemented and progresses were tracked on an ongoing basis to ensure the continuous enhancement of the internal control system.

Internal Audit and Control Effectiveness

The Company has an internal audit function. It performs regular reviews of the Company's internal controls based on the annual audit plan approved by the Audit Committee.

The annual audit plan is prepared by using a risk-based approach to determine the priorities of the internal audit activities. The Audit Committee has the final authority to approve the annual audit plan. Special reviews may also be performed on areas of concern identified by the Audit Committee or the management from time to time. The Audit Committee assesses the effectiveness of the internal control system by reviewing the work of Audit & Supervision Division and its findings. A follow up review will be performed by Audit & Supervision Division approximately three to six months after the date of the audit response to determine if the audit recommendations have been implemented. Follow up works will continue until all recommendations have been appropriately addressed.

The management of the business units is responsible for ensuring the agreed-upon action plans be implemented within an appropriate timeframe. The management must also confirm annually the effectiveness of the risk management and internal control system and business units under their responsibility have taken or are in the process of taking the appropriate actions to deal with all significant recommendations made by Audit & Supervision Division.

During the year, Audit & Supervision Division had performed reviews on all major aspects of the Group's operations in Hong Kong, the Mainland China and/or overseas according to the approved internal audit plan. The work of Audit & Supervision Division covered all major financial, operational and compliance controls. Findings and recommendations on internal control deficiencies were well communicated with the management such that action plans were developed by the management to address the issues identified. Post-audit reviews were scheduled to ensure the action plans were executed as designed. Key findings of each internal control review assignment were reported to and reviewed by the Audit Committee.

The Audit Committee reviews the internal audit work conducted by the Audit & Supervision Division which includes the review of effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls every year. During the year, such exercise has been conducted. The Audit Committee considered that the risk management and internal control systems of the Group were effective and adequate and its opinion was endorsed by the Board. In addition, the chairman of Audit Committee would report to the Board on any key findings at least twice a year.

To further enhance the efforts in oversight, the Company engages a professionally qualified external consulting firm annually to conduct specific internal control and monitoring and evaluations on the effectiveness of certain key business units of the Group. The external consultant will objectively assess the risk management, key control activities, compliance operations, and effectiveness in internal monitoring of the relevant business units. The assessment will be conducted by process reviews, walk-through testing, and sample inspections. The consultant will subsequently issue independent opinions and recommendations on the evaluation for any improvement.

The Board is responsible for the risk management and internal control systems of the Group. Based on the work performed by Audit & Supervision Division, including regular internal audit, special audit, key findings, recommendations, follow up and monitoring of the implementation of improvement, review of effectiveness and appropriateness of the risk management and internal control system of the Company by the Audit Committee, the work performed by the Public Relations Division, including annual risk assessment, continuous monitoring of major risks, self-assessment of the internal control system, special evaluation on key business units and major business areas, and engagement of external consultants to conduct supervision and evaluation on the internal control system together with the confirmation from the management of the Company and the management of each business unit regarding the effectiveness of the risk management and internal control systems, the Board has completed a comprehensive review of the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2025 and considers that the Group's internal control systems are effective, adequate and properly implemented. However, the system aims to manage but not eliminate the risks relating to failure to achieve business objectives, and the Board can only give reasonable but not absolute assurance against material misstatement or loss. During the year, no significant areas of concern which might affect the Shareholders were identified.

EXTERNAL AUDITOR

During the year, the remuneration paid or payable to the Company's external auditor, SHINEWING (HK) CPA Limited, in respect of audit and non-audit services provided to the Group was approximately HK\$3,558,000 and HK\$938,000 respectively. These amounts excluded remuneration paid or payable to other external auditors of subsidiaries of the Company which were included in Auditor's remuneration disclosed in note 22 to the financial statements.

The above non-audit services included professional advisory on taxation, professional services in relation to the Company's interim results and continuing connected transactions, etc..

COMPANY SECRETARY

The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that the relevant policy and procedures are followed. The Company Secretary assists the Chairman to prepare the agenda of the regular Board meetings. Board members can access the services of the Company Secretary, who is responsible for advising the Board on governance matters and assisting the induction and professional development of Directors by providing a tailored induction package and updating Directors on the latest developments and changes to the Listing Rules and the applicable regulatory requirements.

During the year, the Company Secretary has complied with the relevant training requirements under Rule 3.29 of the Listing Rules.

Shareholders' Rights Procedures for Shareholders to convene a special general meeting ("SGM")

In accordance with the Company's bye-laws and the Companies Act 1981 of Bermuda ("Companies Act"), the Shareholders holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company can deposit a written request at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda (the "Registered Office of the Company") and 47th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong (the "Principal Office of the Company") to require a SGM to be convened by the Board for the transaction of any business specified in such requisition and the Board shall proceed to convene such meeting within 21 days after the deposit of such requisition. Such written requisition must state the purposes of the general meeting, signed by the Shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those Shareholders.

If the requisition is in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the registered Shareholders. On the contrary, if the requisition is invalid, the Shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedures for Shareholders to make proposals at general meeting

In accordance with the Companies Act, Shareholders holding (a) not less than one-twentieth of the total voting rights of all Shareholders having the right to vote at the general meeting; or (b) not less than 100 Shareholders, can submit a written request stating the resolution intended to be moved at the annual general meeting or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting. Such written request/statement must be signed by the Shareholder(s) concerned and deposited at the Registered Office of the Company and the Principal Office of the Company not less than six weeks before the annual general meeting in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.

If the written request is in order, the Company Secretary will ask the Board (a) to include the resolution in the agenda for the annual general meeting; or (b) to circulate the statement for the general meeting, provided that the Shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the Shareholder(s) concerned in accordance with the statutory requirements to all the registered Shareholders. On the contrary, if the requisition is invalid or the Shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the annual general meeting; or the statement will not be circulated for the general meeting.

Procedures for a Shareholder to propose a person for election as a Director

As regards the procedures for proposing a person for election as a Director, please refer to the procedures made available under the Corporate Governance section of the Company's website.

Shareholders' Enquiries

Shareholders should direct their questions about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited. Shareholders may at any time make a request for the publicly available information of the Company. Shareholders may also direct questions or requests for information through the Company's website or by contacting the representatives of the Public Relations Division who would convey such questions or requests to the Board.

CONSTITUTIONAL DOCUMENTS

Save as disclosed above, there was no change to the memorandum of association and bye-laws of the Company during the year ended 31 December 2025.

INFORMATION DISCLOSURE

The Company adheres to high standards with respect to the disclosure of its financial statements. To foster regular and constructive two-way communications amongst the Company, its shareholders and potential investors, Public Relations Division is designated to respond to enquiries from the Shareholders and the public. In addition, the Company is committed to maximising the use of its website as a channel to provide updated information in a timely manner and strengthen the communications with both the public and the Shareholders.

COMMUNICATION WITH SHAREHOLDERS

In order to ensure the Shareholders are provided with comprehensive, equal and timely access to the balanced and understandable information about the Company, the Shareholders Communication Policy (available on the Company's website) was adopted and the Board is responsible for reviewing the policy on a regular basis in order to ensure its implementation and effectiveness.

The Board is committed to providing clear and detailed information on the Group to Shareholder(s) through the publication of notices, announcements, circular, interim and annual reports on the Stock Exchange's website at www.hkexnews.hk and the Company's website at hk.coscoshipping.com.

The Board believes that the general meetings provide an opportunity for communication between the Shareholders and the Board members. During the year, the Shareholders were given at least 21 days' notice of the 2025 AGM and at least 14 days' notice of the 2025 SGM. The Chairman and the chairmen of relevant committees attended the 2025 AGM and the 2025 SGM. The representative from the ex-external auditor of the Company attended the 2025 AGM to answer questions if necessary about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. The representatives of the independent financial adviser and the legal adviser attended the 2025 SGM to answer questions if necessary about the new master supply agreement and the new financial services master agreement and the annual caps in relation thereto and all transactions contemplated thereunder. Q&A sessions had been provided for the Shareholders to raise their concerns at the 2025 AGM and the 2025 SGM. The chairman of the 2025 AGM and the 2025 SGM explained the detailed procedures for conducting a poll at such meetings. At the 2025 AGM, a separate resolution for each substantially separate issue was proposed in order to avoid bundling resolutions. The poll voting results of the 2025 AGM and the 2025 SGM were published on the websites of the Stock Exchange and the Company on the same day after the meeting respectively.

The Company has also established other various form of engagement for different groups of stakeholders to keep consistent interactions and maintain different communication channels for shareholders and investors to relay their views on matters regarding the Company's businesses and affairs and provide updates of the situation and performance of the Group. These channels include (i) corporate communications documents (including annual report, interim report and ESG report as well as various notices, announcements and circulars) published on the websites of the Company and the Stock Exchange to provide transparent, regular and timely public disclosures of the Group; (ii) meetings with institutional

investors and analysts conducted from time to time in Hong Kong, Mainland China etc. to maintain continuous and active dialogue with investors and analysts; (iii) the Company's Hong Kong Share Registrar who deals with shareholder for share registration and related matters; and (iv) other dedicated communication channels, activities and events operated or organised by designated business units and departments at various levels engaging different groups of stakeholders.

With the above arrangements, the Shareholder Communication Policy is considered to have been effectively implemented during the year. In addition to the above, the Company has in place other effective measures provided in the bye-laws of the Company to support the Board to act fairly among the members of the Company, details of which is set out in the section headed "Shareholders' Rights" of this report.

DIVIDEND POLICY

The annual dividend payout ratio of the Company is not less than 50% of net profit prior to obtaining practical progress in major investment projects in the future. In case the Company publishes major transaction announcement in relation to investment project, the annual dividend payout ratio of the Company will maintain at the level of not less than 25% of net profit subject to the results, availability of distributable reserves and cash flow position of the Company at that time. The Board makes all dividend decisions in accordance with those principles which are provided in the Company's dividend policy.

Excluding the special dividend, the annual dividend payout ratio of 2025 was 99% (2024: 99%).

By order of the Board

CHIU Shui Suet
Company Secretary

25 March 2026

In 2025, the global economic pattern underwent a profound shift. Uncertainties over trade policies, geopolitical conflicts, and sovereign debt risks intertwined to impose a triple shock, significantly restricting the momentum of global recovery. Against this backdrop, the new technological revolution, represented by artificial intelligence, emerged as the key theme throughout the global capital markets: Benefiting from earnings realization and valuation expansion among AI giants, U.S. stocks repeatedly hit record highs amid accommodative liquidity conditions. Meanwhile, the Asia-Pacific markets delivered particularly strong performance. China's A-share ChiNext Index surged 49.57% for the year, ranking first among major global stock indices included in the relevant statistics, followed by the Hong Kong Hang Seng Index, which climbed 27.77%, marking its best annual performance since 2017 and ranking second globally in terms of growth in market capitalisation.

In the face of macroeconomic uncertainties, COSCO SHIPPING International has continued its optimised operational performance with results hitting a new high. Profit attributable to the equity holders of the Company has reached another record high. This robust growth has significantly strengthened the market's confidence in the Company's development prospect, driven a steady upward trend in its share price, creating substantial returns for the Shareholders and fostering notable momentum for the Company's high-quality and sustainable development. The share price of the Company rose steadily in 2025, climbing 45% from HK\$4.26 at the end of last year to HK\$6.19. As of the end of 2025, the market value of the Company reached HK\$9,074,363,100.

INVESTOR RELATIONS MANAGEMENT STRATEGY

COSCO SHIPPING International's investor relations management strategy attaches great importance to compliance, initiative, equality and integrity. The Company strives to establish an effective and transparent bilateral communication mechanism with investors.

Externally, the Company strictly adheres to the principles of "timely, accurate, complete, and fair" information disclosure, systematically providing key information including strategic positioning, operating conditions, financial results, ESG practices and sustainable development roadmap of the Company. Through diversified channels such as roadshows, results briefings, investor seminars, one-on-one meetings, press conferences, and digital platforms, the Company maintains close engagement with shareholders, institutional investors, and analysts, deepening market recognition and endorsement of the Company's value. During the year, the Company was awarded the "Listed Company Awards of Excellence 2025" by Hong Kong Economic Journal and was selected by the Hong Kong International ESG Alliance for the "Best ESG Social Responsibility Practice Award," fully demonstrating the market's high recognition of the Company's valuation and sustainable development practices.

Internally, the Company continuously compiles feedback from the capital market and regulatory updates, promptly reporting them to the Board and the management team to facilitate the optimization of corporate governance and the precise implementation of strategic initiatives. By leveraging its comprehensive systems and frameworks for investor relations management, insider information control, and information disclosure policies, the Company effectively safeguards the legitimate rights and interests of all investors, enhances the sustainability of shareholder returns, strengthens market confidence, and drives the long-term synergistic growth of corporate value and shareholder interests.

DIVERSIFIED, REAL-TIME AND TRANSPARENT COMMUNICATION CHANNELS

COSCO SHIPPING International is committed to maintaining high standards of corporate governance and transparency through applying high standards of disclosure all along and releasing corporate information timely and accurately. Among which, the annual report is one of important channels for shareholders and investors to understand the development of the Company. By upholding the principles of easy-to-read, alignment with the corporate culture and simplicity, the Company endeavours to prepare its annual report, which allows investors to understand our corporate structure, business scopes, key figures and highlights of the year. As time progresses, the Company adheres to a diversified and real-time communications culture to allow the capital market to have immediate access to the latest updates of the Company through comprehensive channels, including the Company's website, WeChat, corporate periodicals, etc.. With the outstanding performance in the area of investor relations, the Company was awarded the "Certificate of Excellence" by Hong Kong Investor Relations Association in 2025.

COMPREHENSIVE INVESTOR RELATIONS MAINTENANCE

Through diversified communication channels, the Company actively promotes COSCO SHIPPING International's investment value and development potential to the capital market. Besides answering enquiries from investors promptly as a daily routine, the Company has also initiated roadshows, investor conferences, meetings with fund managers, media gatherings, and various exchange activities as well as actively participates in strategic conferences organised by institutions, to give in-depth briefings on its business development, financial performance and future planning to the capital market and new investors. In 2025, the Company maintained close contact with investors across different regions through a combination of online and offline channels, answered various questions in detail, and systematically collected market feedback, effectively strengthening bilateral communication and engagement with the capital market.

Additionally, the Company has continuously pushed forward the long-term dynamic optimization of the shareholder structure. By conducting regular shareholder identification and structural analysis, the Company has closely monitored the changes in shareholding distribution between institutional and retail shareholders as well as their investment orientations and origins, in order to further identify the Company's position in the capital market and develop a broader shareholder community and a stable and diversified shareholder structure based on the results.

According to the Bloomberg Terminal, as at the end of 2025, the top 10 institutional shareholders' shareholding in COSCO SHIPPING International accounted for 2.57% (as at the end of 2024: 2.87%) of the total issued share capital of the Company. These institutional shareholders are based in Hong Kong, the United States, Singapore and Europe, all of which focus on long-term value investing and are large investment institutions with high reputation in the industry.

DIVIDEND POLICY

COSCO SHIPPING International's annual dividend payout ratio will not be less than 50% of net profit prior to achieving practical progress in substantial investment projects in the future. If the Company publishes major transaction announcement in relation to investment project, the annual dividend payout ratio of the Company will maintain at not less than 25% of net profit subject to the results, availability of distributable reserves and cash flow position of the Company at that time.

KEY CONCERNS BY SHAREHOLDERS AND INVESTORS IN 2025

- The impact of geopolitical tensions and uncertainties in the macro-economic environment on the Company's shipping services business
- The impact of IMO policies on the future trend of the shipping services industry
- The potential revenue and profit margins, relevant investment amounts and expected returns of the methanol project
- The development direction of digital intelligence shipping services and marine new energy platform
- The utilisation plan of the ample idle cash on hand
- Future direction of dividend policy
- Possibility of the Company's shares being included in "Southbound Stock Connect"

SHARE PRICE PERFORMANCE

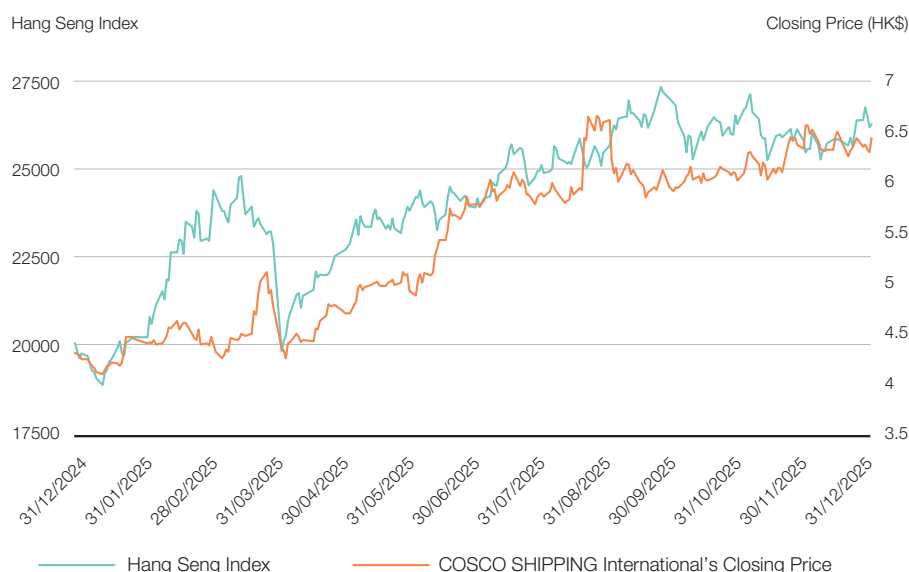
On the last trading day of 2025, the closing price of COSCO SHIPPING International was HK\$6.19 (2024: HK\$4.26) per share while the number of issued and outstanding ordinary shares was 1,465,971,429 shares (2024: 1,465,971,429 shares). The market capitalisation of the Company was HK\$9,074,363,100 (2024: HK\$6,245,038,000). During the year, the highest and lowest share prices of the Company were HK\$6.49 and HK\$4.06 respectively. The daily average trading volume and daily average trading turnover were 1,830,000 shares (2024: 1,410,000 shares) and HK\$9,780,000 (2024: HK\$5,400,000), respectively.

Note: All the above share prices are traded ex-dividend.

EARNINGS PER SHARE AND DIVIDENDS PER SHARE

The basic and diluted earnings per share of the Company for 2025 were 52.6 HK cents (2024: 48.38 HK cents). The Board proposed the 2025 final dividend of 19 HK cents (2024: 21.5 HK cents) per share and an additional special dividend of 10 HK cents per share. Together with the interim dividend of 33 HK cents (2024: 26.5 HK cents) per share paid, annual dividends per share for 2025 were 62 HK cents (2024: 48 HK cents).

COSCO SHIPPING INTERNATIONAL'S SHARE PRICE PERFORMANCE VS HANG SENG INDEX IN 2025



SHARE PRICE AND MARKET CAPITALISATION PERFORMANCE IN THE LAST FIVE FINANCIAL YEARS

A GLANCE AT FIVE-YEAR FINANCIAL STATISTICS

For the year ended and as at 31 December	2021	2022	2023	2024	2025
Total number of shares issued (million)	1,533	1,482	1,466	1,466	1,466
Market capitalisation ^{Note 1} (HK\$ hundred million)	36.5	37.3	44.6	62.5	90.7
Basic earnings per share (HK cents)	18.81	22.74	40.33	48.38	52.60
Price/earnings ratio ^{Note 1} (times)	12.7	11.1	7.5	8.8	11.8
Dividends per share ^{Note 2} (HK cents)	19	22.5	40	48	52
Dividend payout ratio ^{Note 2} (%)	101	99	99	99	99
Net assets value per share (HK\$)	5.26	5.27	5.35	5.37	5.42
Return on total assets (%)	2.9	3.7	6.4	7.7	8.2
Return on shareholders' equity (%)	3.6	4.4	7.6	9	9.8
Cash-to-shareholders' equity ratio (%)	77	76	80	75	73
Current ratio (times)	6.5	7.6	7.6	7.3	5.7
Quick ratio (times)	6.2	7.3	7.3	6.9	5.3
Interest coverage (times)	48.6	212.1	362.8	355.2	535.5

Notes:

¹ As at the last trading day per year

² Excluding special dividend

Environmental, Social and Governance Report

1. ABOUT THIS REPORT

This report outlines the Environmental, Social and Governance (“ESG”) performance of COSCO SHIPPING International (the “Company”) and its subsidiaries (collectively the “Group” or “We”), as well as its joint venture Jotun COSCO with the aim to address the expectations of its stakeholders.

1.1 Reporting Period and Boundary

This report covers the period from 1 January 2025, to 31 December 2025 (the “reporting period”). The reporting boundary encompasses the sustainable development performance and measures of the Group’s main businesses, including ship trading agency services, insurance brokerage services, supply of marine equipment and spare parts, production and sales of coatings, intelligent shipping services, and trading of other ship-related products and services.

Unless otherwise specified, the general disclosures in this report reflect the Group’s ESG-related strategies, policies, objectives, management approaches and initiatives. Key performance indicators (“KPIs”) cover all subsidiaries of the Group and are presented in aggregate data. Although the environmental and social data of our joint venture, Jotun COSCO, are not consolidated, the report also includes information on its ESG activities.

1.2 Reporting Standards and Principles

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Code” (the “ESG Code”) set out in Appendix C2 to the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). To ensure the quality of the content and data presented in this report, we strictly adhere to the principles stipulated in the ESG Code, which include:

Materiality	Quantitative	Balance	Consistency
Through stakeholder engagement and materiality assessment, we ensure that ESG issues remain relevant and material to our business and stakeholders.	We regularly collect and monitor quantitative metrics to evaluate the progress of ESG initiatives and objectives.	To objectively present our sustainability performance, this report highlights both our achievements and areas for improvement.	To enable effective comparison of ESG performance in a consistent manner, explanatory notes are provided whenever changes occur in the methodologies or scope of data compilation throughout this report.

As a responsible corporate citizen, we are committed to continuously optimising our sustainable operating environment and practices. Our goal is to maximise long-term returns for shareholders while actively advancing the development and well-being of the communities in which we operate.

2. OVERVIEW

2.1 Statement of the Board

The Group is well aware of the increasingly stringent ESG governance requirements from the Stock Exchange, which particularly emphasises the Board's involvement and oversight responsibilities. We have maintained an unwavering commitment to our environmental and social objectives, and have clearly defined the specific roles of the Board and the internal governance structure of the Group. The Board fully recognises the importance of effectively implementing sustainable development practices and incorporating ESG elements into key business decisions. It takes ultimate responsibility for ESG strategies and reporting, and oversees the management approach and strategy of all ESG issues. The Environmental, Social and Governance Committee ("ESG Committee") has been established to assist the Board in supervising the ESG-related strategies, policies and development plans of the Group. This robust governance foundation positions us to advance steadily toward long-term success in sustainable development.

2.2 Environmental, Social and Governance Structure

The Board of the Group fully recognises the importance of effectively implementing sustainable development practices and incorporating ESG elements into key business decisions. It takes ultimate responsibility for ESG strategies and reporting, and oversees the management approach and strategy of all ESG issues.

The Board has established an ESG Committee to assist the Board in supervising the ESG-related strategies, policies and development plans of the Group. The ESG Committee comprises an Executive Director and a representative from each of the Operation Management Division, Executive Division, Strategy Development Division, Human Resources Division and Public Relations Division. The ESG Committee convenes at least one meeting annually or as necessary to identify and address ESG-related opportunities, issues and risks. It also formulates the Group's ESG vision, strategy and objectives to guide its ESG direction and assess performance. Given the increasingly stringent regulatory requirements, the ESG Committee is responsible for overseeing the preparation of ESG reports to ensure compliance with the relevant laws and regulations. The ESG Committee reports its latest work, progress and recommendations on ESG-related matters to the Board annually.

2.3 Environmental, Social and Governance Management Approach

To support the Group's sustainable development, we consider multiple ESG factors when formulating strategies. Owing to the diversified operations of the Group, our policies are tailored to the business models of subsidiaries and include independent ESG risk assessments for these companies. As the business environment changes rapidly, we continuously optimise the Group's policies by reviewing the management approach to keep pace with the latest market trends, industry developments and regulatory requirements so as to ensure the relevance and applicability of our policies.

In line with the management measures for the Environmental Management System Certification of the International Organisation for Standardisation ("ISO"), the subsidiaries of the Group have formulated environmental policies in accordance with relevant standards to respond to the increasing public attention to environmental protection and tightening ecological regulations. In addition to obtaining certifications from authorised institutions, we are committed to minimising the environmental impact of our business.

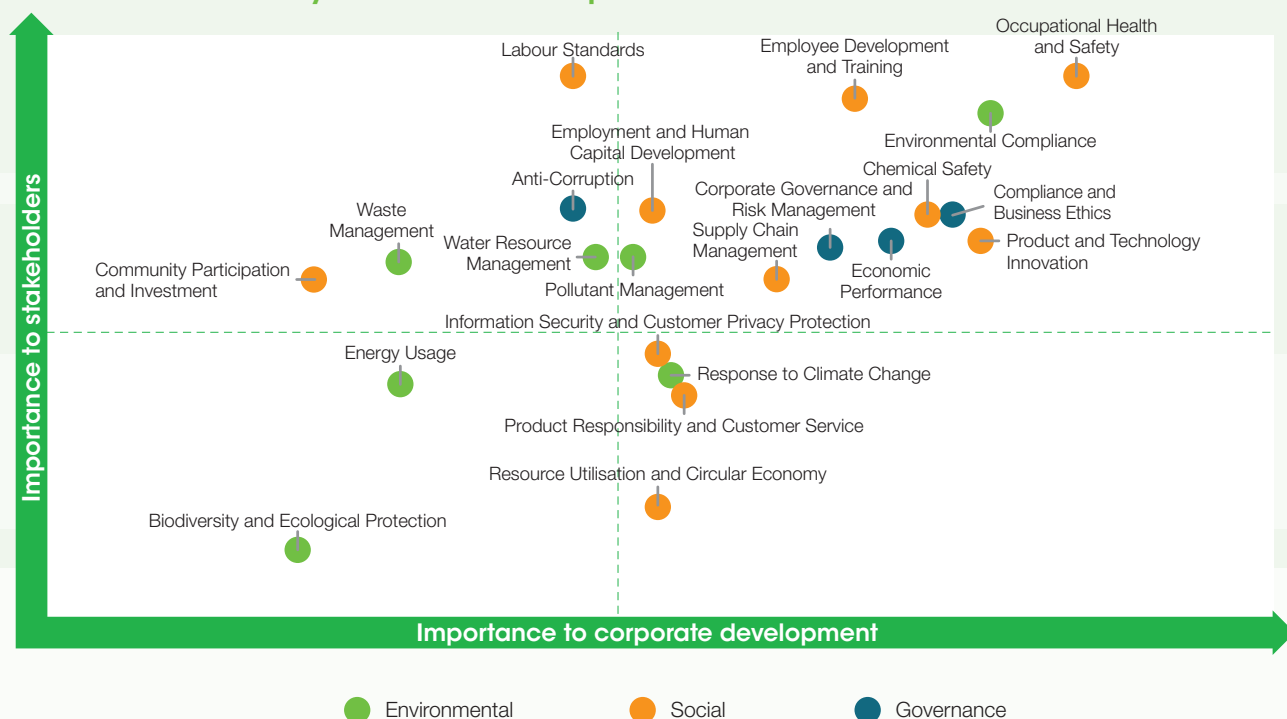
From a social perspective, we are dedicated to ensuring the highest standards of occupational health, safety and product quality in our operations. Our commitment is reflected in our ongoing success in maintaining the Quality Management System Certification (ISO 9001), Environmental Management System Certification (ISO 14001) and Occupational Health and Safety Management System Certification (ISO 45001:2018).

To promote sustainable development, the Group focuses on enhancing internal coordination within its network of subsidiaries. The Group continues to strategically participate in formulating the overall sustainable development plan, and subsidiaries are required to provide annual quantitative performance data, along with reporting of their management approaches, practices and initiatives, to the headquarters for annual review. The Group closely monitors and reports on the progress of strategy implementation and other ESG-related matters to ensure the level of operational efficiency.

2.4 Materiality Assessment

In 2025, we distributed questionnaires to major stakeholders to reassess the materiality of these issues, and identified 22 material ESG issues through questionnaire analysis, covering 8 environmental issues, 10 social issues, and 4 corporate governance issues, which reflect our ESG consideration in corporate management. These issues have been carefully considered in the preparation and compilation of this report. These issues are outlined in the following materiality matrix.

2025 Materiality Matrix of ESG Topics of COSCO SHIPPING International



2.5 Stakeholder Engagement

Stakeholder feedback is pivotal to our path of development. We value insights from stakeholder groups potentially affected by our operations and perspectives from external organisations with expertise in areas we consider important. We engage with stakeholders across multiple platforms, and gather feedback regularly. These insights are vital for continuously evaluating and shaping our corporate strategies and sustainability plans.

The following is a summary of the communication channels to the specified stakeholders in our daily operational activities:

Stakeholder Groups	Communication Channels	Communication Purposes	Communication Frequency
Government authorities	- Questionnaires - Discussion meetings - Site visits - Information submission	- Compliant operation - Environmental stewardship - Social contribution - Tax compliance	Irregular
Shareholders and investors	- Roadshows - Company visits - Investment summits - Regular reports & announcements - Telephone conferences, emails, WeChat etc.	Communicate and report the Company's operational performance and strategic direction	- Semi-annual/annual - Real-time communication such as meetings, calls, and emails
Employees of the Group	- Training and education activities - Employee satisfaction survey - Annual staff meeting - Working meetings	- Workforce retention - Enhance occupational safety and health awareness - Ensure employee rights and benefits	- Annual - Weekly management meetings - Monthly, quarterly, semi-annual, or annual work summary reportings
Business partners, customers, and suppliers	- Company visits - Telephone conferences, emails, and other electronic means - Social media - Inspection and evaluation	- Ensure stable and effective supply chain management - Sustainable procurement policy	- Semi-annual/annual - Irregular meetings
Local communities and non-government organisations ("NGOs")	- Community projects - Collaborative projects - Public welfare projects	- Community communication and engagement - Low-carbon operation - Create social benefits	Irregular

2.6 Honours and Recognitions

In 2025, COSCO SHIPPING International received the following prestigious awards in the field of green and sustainable development:

- At the “2025 International ESG Forum of Hong Kong and Annual Awards Ceremony”, the Company was awarded the “Best ESG Social Responsibility Practice Award.”



- The Company won the “Listed Company Awards of Excellence 2025” by the Hong Kong Economic Journal, reflecting high market recognition of its comprehensive strength and investment value.



- The Company received the “Certificate of Excellence” from the Hong Kong Investor Relations Association (HKIRA), recognising its pursuit of high-level investor relations management, and which highly recognised and affirmed by the capital market.

- The Company received its first “Employer of Choice Award” and “Corporate Social Responsibility Award” at the Employer of Choice Award 2024 held by the “Job Market”.



- COSCO Kansai Companies were awarded the honorary title of “Advanced Unit for Standardisation of Coatings and Pigments” for its outstanding contributions and leading practices in the standardisation.

- The Hong Kong Council of Social Service (HKCSS) awarded the Company the “Caring Company” logo for the 17th consecutive year, recognising its performance as “Above-average” this year.



- At the 18th National Modern Logistics Technological Innovation Conference, the “Vessel Fuel Full Life Cycle Solution Based on Large Models, Big Data and Large Platforms” project submitted by COSCO SHIPPING Smart-Sailing won the First Prize of the Science and Technology Progress Award, the highest honour of the Science and Technology Award from the China Federation of Logistics & Purchasing for 2025.



- The Company actively participated in the Sowers Action Challenging 12 Hours Charity Trail Marathon, winning the Gold Fundraising Sponsorship, Fundraising Award, and Participation Award.



- Mr. Wang Yong, Executive Director, was awarded the honour of “Excellent CFO of Listed Companies” at the 15th Hong Kong International Financial Forum cum China Securities “Golden Bauhinia Award” Ceremony in 2025. This award further underscores the Company’s sound reputation in the capital market.

3. RESPONDING TO CLIMATE CHANGE

Facing the complex challenges and potential risks brought about by global climate change, the Group consistently integrates climate change response into its overall development strategy. Adhering to the principle of “Prevention First, Coordinated Management, Scientific Response, and Continuous Optimisation”, we continuously improve our climate governance structure, strengthen climate strategic planning, and enhance risk management capabilities. Through systematic and precise initiatives, we effectively mitigate climate-related risks and actively seize the development opportunities brought by the low-carbon transition, promoting a sustainable coexistence between the enterprise and the environment.

3.1 Climate Governance

The Group has established a climate governance structure with clear hierarchies and defined responsibilities, forming a governance system of “Board coordination, ESG Committee leadership, and subsidiary execution”, ensuring that climate change response efforts advance in an orderly and effective manner.

Board of Directors	Holds ultimate responsibility for the Group’s climate change-related strategies, policies and targets; regularly receives thematic reports from the ESG Committee on climate risk management and low-carbon transition progress; reviews major climate-related decisions to ensure that the climate strategies align with the Group’s overall development goals.
ESG Committee	Led by an Executive Director, coordinates climate and environmental strategic planning and major decisions; continuously evaluates the impact of climate risks on business operations; enhances internal capacity to respond to climate-related risks; and oversees the implementation progress of climate-related policies and measures.
Subsidiaries	The Group’s subsidiaries have established an independent Climate Risk Management Working Group responsible for implementing specific climate risk management tasks, including stages such as risk identification, formulation of response measures, and monitoring and improvement.

Furthermore, the Group has established a cross-departmental collaboration mechanism to promote information sharing and cooperation among production, technology, environmental protection, and safety departments. Through regular employee training, we enhance environmental awareness and sustainability concepts among all staff, ensuring that climate change responsibilities are effectively fulfilled at every level and stage.

3.2 Climate Strategy

The Group keeps abreast of international climate governance trends and domestic environmental policy requirements. Combining the industry characteristics of shipping and manufacturing, we have formulated a forward-looking and feasible climate strategy focusing on three core directions: risk defence, energy conservation and emission reduction, and low-carbon transition, promoting deep integration between climate response and business development.

Regarding Risk Defence Strategy: Targeting extreme weather events such as tropical cyclones, rainstorms, heavy snow, sustained high temperatures, and sea-level rise, the Group continuously strengthens the “Prevention-Response-Recovery” full-chain management.

Regarding Energy Conservation and Emission Reduction Strategy: The Group continuously advances energy structure optimisation and energy efficiency improvements. Based on the energy management system, we implement measures such as phasing out high-energy-consuming equipment, promoting clean energy alternatives, and optimising production processes to achieve dual reductions in comprehensive energy consumption and energy consumption per unit of product. Concurrently, we vigorously develop renewable energy, having built rooftop photovoltaic power projects to further reduce reliance on fossil fuels and cut greenhouse gas emissions.

Regarding Low-Carbon Transition Strategy: The Group focuses on green product and service innovation. Through initiatives such as developing eco-friendly coatings, promoting green methanol projects, and building digital low-carbon service platforms, we facilitate the green transformation of the shipping industry. We also continuously track carbon pricing policies and carbon market dynamics, exploring carbon asset management models to prepare for potential carbon cost pressures.

3.2.1 Identification of Climate-related Risks and Opportunities

The Group conducts climate risk and opportunity identification and assessment systematically based on the climate-related financial disclosure framework of the Task Force on Climate-related Financial Disclosures ("TCFD"). This identification covers three major dimensions: physical risks, transition risks, and climate opportunities. For physical risks, we identified and assessed the potential impacts of various risks on facility safety, transportation efficiency, and operational continuity; for transition risks, we focused on regulatory compliance and reputation to address challenges brought by stricter regulations and rising market expectations during the low-carbon transition. Simultaneously, we actively explored core opportunities such as green shipping, application of low-carbon fuels, low-carbon shipping services, and brand value enhancement, and formulated corresponding management plans and development measures.

In the process of sustainability and climate-related strategic planning, the Group identifies and assesses climate risks and opportunities across different time horizons, defining the short, medium, and long term as follows: Short-term refers to within 1 year from this reporting year; medium-term refers to the period up to 2030; long-term refers to the period up to 2050. Through full-dimensional identification and full-lifecycle management, we coordinate risk mitigation with opportunity capture to strengthen corporate climate resilience.

Types of Climate Risk ¹	Specific Risk	Risk Description	Time Horizon	Mitigation Measures
Physical Risks				
Physical Risk (Acute)	Extreme weather events (e.g., tropical cyclones, rain storm)	Increasingly frequent extreme weather events may damage the assets and equipment in the production facilities and endanger employee safety.	Short-term	1) Enhance infrastructure resilience, install high-precision meteorological monitoring equipment around production plants and establish real-time data access from professional meteorological agencies for early warnings of extreme weather conditions. 2) Enhance safety protection for staff, develop and conduct regular drills of extreme weather emergency plans. For example, Jotun COSCO has formulated the "On-site Response Plan for Natural Disasters" and conducted drills annually.
Physical Risk (Acute)	Extreme weather events (e.g., heavy snow, frost caused by severe cold)	Ice-covered roads paralyse traffic and disrupt the transportation of goods. Under low temperatures, vehicle failures as well as machinery and equipment malfunction become frequent and directly lower transportation efficiency significantly. This will greatly affect logistics and delivery and may cause chain reactions in relevant industries, which result in inconveniences and losses.	Short-term	1) Use high-strength building materials to enhance the load-bearing capacity of roofs and walls, so that plants and facilities can withstand the pressure from thick snow accumulation. 2) Production plants should stockpile enough emergency supplies such as flashlights, matches and warm clothes to cope with potential power outages and supply shortages during heavy snow. Also, backup power sources, such as generators, should be prepared to ensure the normal operation of critical equipment and lighting systems during power outages, so as to maintain the basic operation of the plants.
Physical Risk (Chronic)	Persistent high temperatures	Prolonged high temperatures increase electricity consumption, potentially harming the production health of employees and reducing productivity of the plants.	Medium-term and long-term	1) Optimise the energy consumption for equipment and adopt intelligent temperature-control systems for efficient energy saving in plants to dynamically adjust the power and operation time of cooling equipment. 2) Enhance employee safety awareness training and develop a shift system for high temperatures with reasonable working hours.

¹ The climate risks identified during the reporting period remained consistent with those of the previous year, and new identification of climate opportunities was added.

Environmental, Social and Governance Report

Types of Climate Risk ¹	Specific Risk	Risk Description	Time Horizon	Mitigation Measures
Physical Risk (Chronic)	Rising sea level	Rising sea levels may threaten coastal plants, causing soil salinisation and the rise of groundwater level. This affects infrastructure as well as production and operations of the plants. In addition, the rise of sea levels can also increase risks of rain storm.	Medium-term and long-term	1) Place critical equipment and supplies at higher locations to minimise damage of sea level rise the plants. 2) Strengthen coastline monitoring and maintenance to promptly identify and address coastal erosion issues.
Transition Risks				
Transition Risk	Regulatory compliance risk	Given the impact of increasingly stringent environmental regulations and carbon taxes on businesses, the Group must fully understand these requirements to ensure compliance with laws and regulations.	Medium-term and long-term	1) Improve the internal compliance review system and establish independent compliance review teams to conduct proactive audits of all business processes on a regular basis. 2) Proactively establish regular communication mechanisms with environmental regulators and relevant industry associations, actively participate in policy discussion meetings, and receive guidance from regulatory authorities.
Transition Risk	Reputation risk	Customer perceptions of the Group's actions in transitioning to a low-carbon economy may affect our reputation. The business model of the Group must align with the principle of low-carbon economy and any misalignment may lead to negative customer perceptions.	Medium-term and long-term	1) Regularly publish detailed corporate low-carbon development reports to showcase our achievements in new energy applications and carbon emission reduction, so as to promote our positive image in the low-carbon transition. 2) Establish a green channel for environmental issue complaints, promptly collect customer views and inquiries on the low-carbon transition and proactively address potential negative perceptions.
Climate Opportunities				
Climate Opportunity	Green shipping and low-carbon fuel application	Driven by global green shipping policies and maturing low-carbon fuel technologies, the Group can optimise its energy structure by expanding the use of green methanol and green hydrogen, reducing long-term carbon costs and enhancing competitiveness of shipping services.	Medium-term and long-term	1) Advance low-carbon fuel projects (e.g., green methanol, green hydrogen) to build a "production-bunkering-application" full-chain system. 2) Increase investment in new energy-powered vessels and supporting facilities to create green shipping demonstration scenarios.
Climate Opportunity	Low-carbon shipping services and brand value enhancement	Growing client and market demand for low-carbon, sustainable shipping services allows the Group to provide green products, strengthening market position and brand reputation.	Medium-term and long-term	1) Provide carbon-reduction transport services based on low-carbon fuels and optimised speeds/routes. 2) Offer carbon management value-added services, including carbon accounting, decarbonisation pathway planning, and sustainable development data disclosure support to meet clients' ESG compliance and supply chain decarbonisation needs.

¹ The climate risks identified during the reporting period remained consistent with those of the previous year, and new identification of climate opportunities was added.

3.2.2 Climate Scenario Analysis

Based on the core business attributes of shipping, logistics, and related industries, and combining global climate change trends, industry policy directions, and corporate development strategies, the Group regularly conducts climate scenario analysis to systematically evaluate the potential impacts of climate-related physical and transition risks on business operations, financial planning, and strategic deployment under various scenarios, while also exploring development opportunities in green shipping and low-carbon industries.

Climate Scenario Selection Basis

We utilise authoritative scenarios from the Intergovernmental Panel on Climate Change (“IPCC”) and the Network of Central Banks and Supervisors for Greening the Financial System (“NGFS”) to construct our physical and transition risk scenario frameworks. These are used to systematically assess the risks the Group faces under different climate pathways, providing scientific and reliable decision-making support for the strategic adjustment and climate-related risk management and control of the Group.

Physical Risk Scenarios

- SSP5-8.5 High Emission Scenario: Global temperatures are expected to rise by 4.4°C by 2100
- SSP2-4.5 Medium Emission Scenario: Global temperatures are expected to rise by 2.7°C by 2100
- SSP1-2.6 Low Emission Scenario: Global temperatures are expected to rise by 1.8°C by 2100

Transition Risk Scenarios

- Current Policies Scenario: Global temperatures are expected to rise by 2.8°C by 2100
- 2°C Scenario: 67% probability of limiting temperature rise to below 2°C by 2100
- 1.5°C Scenario: Temperature rise is expected to limit to 1.5°C by 2100

Risk Analysis under Different Scenarios

	Physical Risk:	Transition Risk:
Risk Analysis Approach	Analyses physical risks under different climate scenarios using climate models to assess the frequency and intensity of natural disasters at offices and manufacturing locations, and quantifying potential physical risk loss severity via loss calculation models.	Estimates carbon reduction costs under different climate scenarios using the formula: Corporate Carbon Reduction Cost = Carbon Reduction Volume × Carbon Price.
Risk Measurement Metrics	Corporate PVaR = Potential Physical Risk Loss Amount/Enterprise Value; Enterprise Value = (Market Capitalisation + Debt + Minority Equity + Preference Shares) – Cash and Cash Equivalents.	Corporate CVaR = Corporate Carbon Reduction Cost/Enterprise Value; Enterprise Value = (Market Capitalisation + Debt + Minority Equity + Preference Shares) – Cash and Cash Equivalents.

Climate Scenario Analysis Conclusions and Response Principles

• Conclusion of Physical Risk Scenario Analysis

This physical risk scenario analysis focused on four climate-related physical risks — rain storm, frost, persistent high temperatures, and tropical cyclones — impacting the locations of our main offices and factories (Beijing, Shanghai, Hong Kong and Zhuhai). The analysis integrated historical data with projected data for 2030 and 2050 under SSP1-2.6 (low emission scenario), SSP2-4.5 (medium emission scenario), and SSP5-8.5 (high emission scenario). This enabled us to identify and evaluate regional variations, scenario dependencies, and potential impacts of these physical risks, establishing a clear risk priority ranking system.

The analysis indicates that the Hong Kong and Zhuhai regions require particular attention to manage risks associated with rain storm and tropical cyclones. The Beijing region should focus on mitigating risks related to persistent high temperatures, while the Shanghai region should be vigilant about a slight upward trend in rain storm risk. Based on these analytical findings, to effectively prevent and mitigate physical risks in each region and to genuinely fulfill our ESG disclosure obligations, we will develop and implement a series of targeted response measures.

PVaR Heatmap under Historical and Various Climate Scenarios^{2,3}

Types of Physical Risks	Office or Factory location	History	SSP1-2.6		SSP2-4.5		SSP5-8.5	
			2030	2050	2030	2050	2030	2050
Rain storm	Beijing							
	Shanghai							
	Hong Kong							
	Zhuhai							
Frost	Beijing							
	Shanghai							
	Hong Kong							
	Zhuhai							
Persistent high temperatures	Beijing							
	Shanghai							
	Hong Kong							
	Zhuhai							
Tropical cyclones	Beijing							
	Shanghai							
	Hong Kong							
	Zhuhai							

² This physical risk scenario analysis utilised IPCC data in conjunction with our internal models for risk measurement, and was further optimised on the basis of 2024. The scope of the analysis includes the locations of our primary offices and factories. All assumptions underpinning this risk measurement represent the core premises of this physical risk data analysis. Any changes to these assumptions will directly impact the accuracy of the risk predictions. These projections are purely theoretical calculations based on current assumptions and do not represent future actual risk conditions, nor do they constitute any basis for decision-making.

³ Please note that regions coloured red indicate areas with potential risks, while regions coloured green represent areas with a lower level of risk. However, these green regions still require ongoing attention. The intensity of the colour corresponds to the severity of the risk.

• Physical Risk Response

In the face of intensifying physical risk related to climates such as extreme heat, heavy snow, frost, tropical cyclones, and rain storm, the Group adheres to a management philosophy of “Prevention First, Categorised Strategies, and Rapid Response”. Focusing on key scenarios and core assets, we have built a full-process physical risk defence system encompassing equipment optimisation, facility reinforcement, material reserves, institutional construction, and emergency drills.

In response to the need to address climate disasters such as typhoons and floods, the Group's subsidiaries, established “Typhoon and Flood Prevention Special Task Forces” to build a “Fully Participatory, Full-domain Coverage” organisational system for responding to climate disasters, providing core coordination and support to ensure the implementation of all response measures. The company stockpiled waterproof sandbags, drainage pumps, and emergency lighting at new office locations to address the mismatch between the material reserves at the original office location and the needs of the new site and protect core areas such as office equipment and data server rooms. Prior to the critical typhoon season in August, the company formulated “防颱防汛工作方案 (Typhoon and Flood Prevention Work Plan)”, clarifying early warning response procedures, responsibilities, and priority actions. In combination with the layout of the new office locations, it simultaneously planned a list of material reserves and storage locations for flood prevention to ensure that “Plans and Materials are in Place” before disasters strike. The company also organised specialised emergency drills for typhoon prevention to enhance employees' emergency response capabilities by simulating early warning response, material handling, equipment protection and personnel evacuation procedures before typhoon.

Case: The Company's Response to Super Typhoon “Ragasa”

From 23 to 24 September, Super Typhoon “Ragasa” affected the coast of Guangdong. The Company's Safety Management Department activated its emergency mechanism to strengthen extreme weather physical risk prevention, ensuring the safety of employees and corporate assets. We monitored the typhoon's trajectory

in advance, issued warnings, identified hidden risks, and formulated “防颱措施方案 (Typhoon Prevention Action Plan)”. Key units implemented defensive measures early, and the Safety Management Department assigned dedicated personnel on duty to supervise each unit to implement

according to the standard and report the implementation in time. A joint Guangdong-Hong Kong coordination mechanism was activated during the period to oversee frontline efforts for typhoon prevention. With scheduled dynamic feedback of each unit and real-time risk monitoring of on-duty personnel, these full-process, full-coverage measures effectively mitigated the risks of operational interruption and asset loss caused by extreme weather.



• Conclusion of Transition Risk Scenario Analysis

The results of this transition risk scenario analysis indicate a significant positive correlation between the stringency of climate policies and the carbon cost risk faced by the Company. Specifically, under a 1.5°C warming target scenario, the Company's CVaR reaches 0.07% in 2050, significantly higher than the 0.06% observed under a 2°C scenario and the 0.01% under the current policy scenario. This finding highlights the differentiated impact of various climate policy scenarios on the Company's carbon cost risk, with the 1.5°C scenario presenting the most stringent policy constraints and, consequently, the highest carbon cost risk. Even under the most stringent climate policy scenario, we demonstrate a strong risk resilience and climate resilience.

Scenario Types	2030 CVaR (%)	2050 CVaR (%)
Current Policies Scenario	0.00%	0.01%
2°C Scenario	0.02%	0.06%
1.5°C Scenario	0.06%	0.07%

Transition Risk CVaR (%) Calculation Results⁴

• Transition Risk Response

The Group regularly publishes corporate low-carbon development information to showcase achievements in renewable energy application and carbon emission reduction, promoting a positive image of our low-carbon transition. Additionally, we have established a green channel for environmental complaints to promptly collect customers' views and inquiries regarding our low-carbon transition, proactively mitigating potential reputational risks. For further information on our transition risk response measures, please refer to the sections on Energy Utilisation and Green Products and Service Innovations.

Case: Jotun COSCO Qingdao Plant Selected as a National “New Four Categories” Environmental Facility Open Unit

Relying on excellent green manufacturing and environmental management results, the Jotun COSCO Qingdao Plant was successfully selected as a national “New Four Categories” environmental facility open unit. The factory has passed multiple authoritative certifications, with carbon emission intensity reduced by 50% compared to 2017, and VOCs treatment efficiency reaching 99.7%. On occasions such as “June-5th Environment Day”, it hosts public visits to disclose green production processes and pollution control practices, fully fulfilling its responsibility for disclosing environmental information.



⁴ Due to an update to the 2025 emissions data, the CVaR (%) calculation results have been updated accordingly.

• Climate Opportunity Response

The Group actively practices the concept of green development, continually increasing investment in green technology R&D. Focusing on low-carbon technological innovation and green product development, we continuously optimise our product structure and service systems, dedicated to assisting industrial low-carbon transformation with lower-carbon, more eco-friendly products and solutions to achieve sustainability goals.

Case: Jotun COSCO Launches HPS 2.0 Hull Performance Solution

Jotun COSCO's next-generation Hull Performance Solution (HPS 2.0) integrates innovative products, professional services, data support, and performance guarantees. It includes premium anti-fouling paint combinations like SeaQuantum X200 and SeaQuantum XT tailored for different routes, paired with data-driven tools under the ISO 19030 standard and HullKeeper performance analysis services, significantly reducing vessel fuel consumption and carbon emissions. SeaQuantum X200 has been verified by a qualified third-party agency to maintain an average speed loss of only 1.0% over a 60-month docking interval, helping fleets reduce CO₂ emissions by 11.1 million tonnes in 2024.



3.3 Climate Risk and Opportunity Management

The Group has constructed a full-process climate risk and opportunity management system comprising “Risk Identification—Assessment—Response—Monitoring—Improvement”. Referencing TCFD recommendations, we systematically identify physical risks, transition risks, and climate opportunities, and formulate targeted response measures to ensure climate risks remain manageable.

3.3.1 Risk Identification and Assessment

The Group employs diversified methods for climate risk identification. On one hand, leveraging big data analytics, we deeply mine industry data, regulatory information, and internal operational data to filter climate-related risk signals. On the other hand, we conduct industry benchmarking to learn advanced risk management experiences and regularly organise seminars and internal training to jointly analyse potential risk points.

In the risk assessment phase, we introduced an climate risk assessment model to score and rate identified risks across two dimensions: likelihood and impact level, classifying them into high, medium, and low risk grades and we focus heavily on high-risk matters, such as sea-level rise and storm surges affecting coastal facilities, equipment failure risks caused by high temperatures during production, and low-carbon transition pressures brought by policy changes, providing a basis for subsequent response formulation.

Our subsidiaries, COSCO Kansai Companies, focus on the impact of extreme weather — such as tropical cyclones, rainstorms, and persistent high temperatures — on production operations, regularly conducting climate risk identification to form a risk inventory.

3.3.2 Risk Monitoring and Improvement

The Group has built an intelligent, real-time dynamic monitoring system relying on information platforms and smart equipment to continuously track the status of climate risks. We regularly monitor the implementation of climate risk response measures and continuously optimise risk management processes and response plans based on internal and external environmental changes and monitoring results.

During the reporting period, no major production interruptions or financial losses occurred due to climate-related risks, demonstrating the effectiveness of our climate risk management.

The Group integrated typhoon and flood prevention into its “routine and seasonal inspection” system, executing a three-tier inspection mechanism of “Employee Self-inspection+Departmental Inspection+Company Inspection” to promptly discover and eliminate potential hazards. During critical climate disaster periods, a “Leadership Shift+Dedicated Personnel on Duty” system is implemented to ensure 24-hour communication and the timely reception and dissemination of meteorological warnings to all staff.

3.4 Climate Metrics and Targets

The Group adheres to tracking climate management effectiveness with a scientific and quantitative metric system, and guiding the low-carbon transition with practical targets. Centered on energy conservation, emission reduction, and risk prevention, we formulate and implement various climate-related metrics and targets tailored to the business characteristics and operational realities of our subsidiaries, ensuring climate change response efforts are evidence-based and proceed systematically.

3.4.1 Climate-related Targets

Since COSCO Kansai Companies’ energy consumption accounts for more than 90% of the Group’s total, we have set specific sustainability-related targets for COSCO Kansai Companies —aiming to achieve the following by 2030, relative to a 2020 baseline:

- Reduce greenhouse gas emissions (Scope 1 and Scope 2) by 10%.
- Reduce emissions of volatile organic compounds (“VOCs”) and benzene by 5%.
- Reduce energy consumption by 10%.

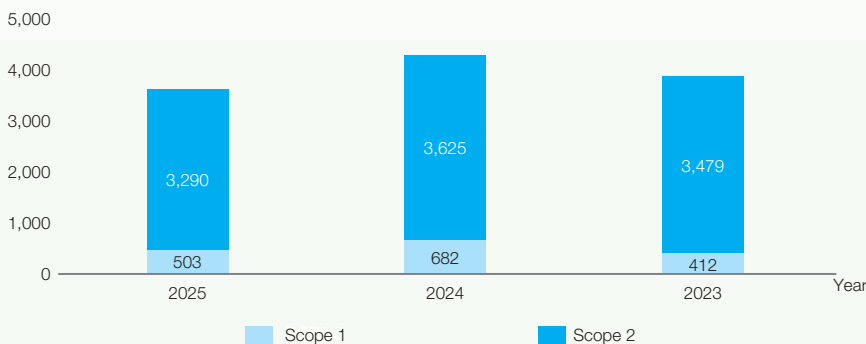
Jotun COSCO has established a long-term carbon reduction target using 2017 as the baseline, aiming to reduce carbon emissions per unit of product by 50% by 2030. To date, the company has exceeded this target ahead of schedule. The carbon emission intensity per unit of product has decreased significantly from 82 kg/tonne in 2017 to 24 kg/tonne as of 2025, demonstrating our commitment to green and low-carbon development.

3.4.2 Climate-related Metrics

Greenhouse Gas Emissions

The Group achieved significant progress in greenhouse gas emissions management in 2025. Through equipment upgrades, fuel substitution, and other measures. Total operational emissions (Scope 1 and Scope 2) for the year were 3,793 tonnes, a 11.9% reduction from 4,307 tonnes in 2024, demonstrating positive carbon reduction progress.

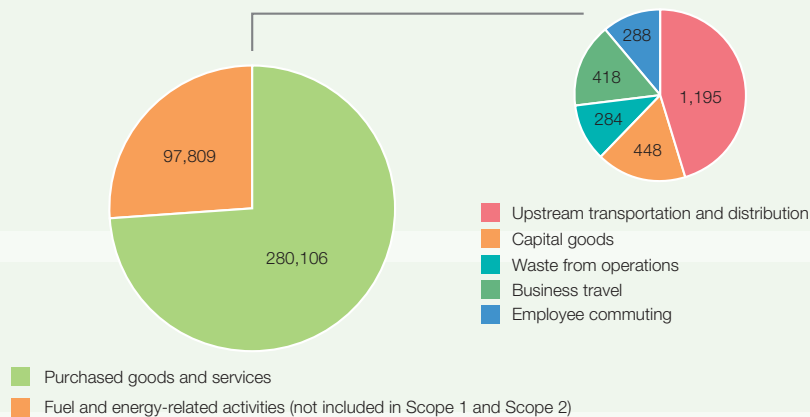
Total Operational Greenhouse Gas Emissions for the Group (tonnes)



In 2025, the Group conducted emissions accounting for seven Scope 3 emission categories, encompassing “Purchased Goods and Services”, “Capital Goods”, “Fuel and Energy-Related Activities (not included in Scope 1 and 2)”, “Upstream Transportation and Distribution”, “Waste Generated In Operations”, “Employee Business Travel”, and “Employee Commuting”. Analysis indicates a total Scope 3 emissions of 380,548 metric tonnes.

Among which, “Purchased Goods and Services” represents the largest emission source, primarily stemming from the procurement of raw materials and services related to shipping services and trade. The second largest category is “Fuel and Energy-Related Activities”, mainly arising from upstream extraction, processing, and transmission losses associated with purchased electricity and fuel. Moving forward, we will encourage suppliers to gradually conduct carbon inventories and deepen collaboration with value chain partners to systematically manage Scope 3 climate risks and steadily advance towards net-zero targets.

The Group's Scope 3 (Value Chain) Greenhouse Gas Emissions (tonnes)



Product Carbon Footprint

Against the backdrop of advancing global climate governance and continuous improvement of international green trade rules, product carbon footprint has become a core indicator for measuring enterprises' green competitiveness and driving the low-carbon transition of industrial chain. COSCO Kansai Paint (Shanghai) successfully completed the carbon footprint report for its waterborne acrylic coatings in 2025, systematically quantifying total GHG emissions over the products' full life cycle and precisely identifying key carbon emission stages and reduction potential.

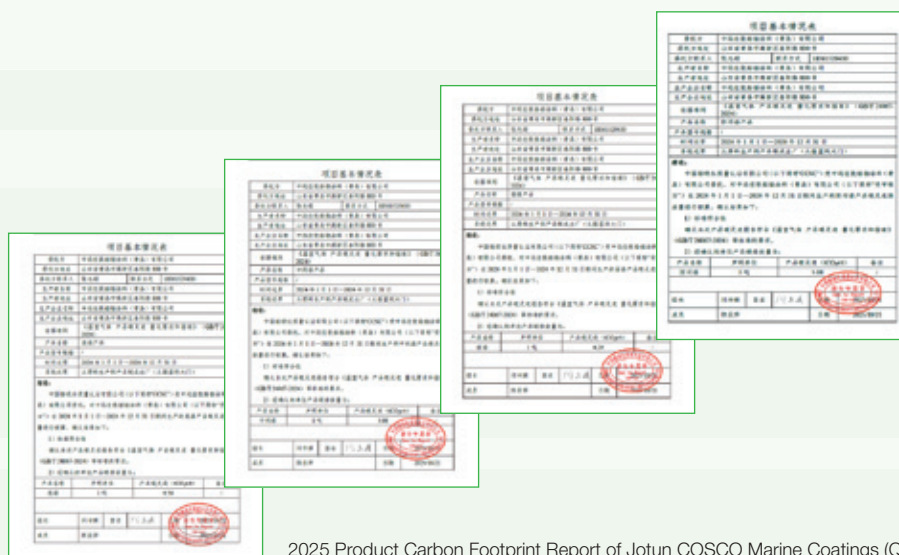
Case: COSCO Kansai Paint (Shanghai)'s Container Waterborne Coating Receives Shanghai's First Batch of Carbon Footprint Certifications

In 2025, as the only product from the coating industry — and the only industrial coating product in the city's first batch of pilot projects — COSCO Kansai Paint (Shanghai)'s container waterborne coating uses a waterborne system to replace traditional solvents, balancing anti-corrosion and decorative functions. It passed the full life cycle carbon emission quantitative verification by the Yangtze River Delta Green Certification Alliance. Its carbon emission data is traceable, verifiable, and comparable, responding to the demand for green coatings from container owners and shipping companies, while solidifying the company's leading position in the container coatings market.



Jotun COSCO has commissioned a qualified third-party agency to complete the full life cycle carbon footprint accounting — from raw materials to factory gate — for four major product categories, including anti-fouling paints and topcoats.

For more climate-related metrics, please refer to the section headed “PERFORMANCE DATA SUMMARY — ENVIRONMENTAL” on pages 139 to 140.



2025 Product Carbon Footprint Report of Jotun COSCO Marine Coatings (Qingdao) Co., Ltd.

4. ENVIRONMENTAL PROTECTION

The Group consistently adheres to the core philosophy of green development, deeply integrating environmental sustainability into the entire business operation process, striving to minimise the negative impact of operational activities on the environment.

4.1 Environmental Compliance Management

In the process of driving the green transformation of the shipping and manufacturing industries, we not only strictly comply with all regulatory requirements but also strategically plan for carbon reduction, resource optimisation, and ecological protection. We actively explore cutting-edge environmental technologies and innovative models, create green office environments, and strengthen all employees' awareness of sustainable development through systematic training to fulfill our corporate environmental responsibilities comprehensively.

The Group strictly follows all relevant environmental laws and regulations that include extensive requirements, such as:

- “Environmental Protection Law of the People’s Republic of China”;
- “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China”;
- “Water Pollution Prevention and Control Law of the People’s Republic of China”;
- “Cleaner Production Promotion Law of the People’s Republic of China”;
- “Law of the People’s Republic of China on Environmental Impact Assessment”;
- “Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes”;
- “Law of the People’s Republic of China on Prevention and Control of Pollution from Environmental Noise”;
- “Environmental Protection Tax Law of the People’s Republic of China”; and
- Other local rules and standards concerning environmental management in all operating locations.

To ensure subsidiaries continuously optimise environmental performance and adhere to operational standards, the Group has formulated environmental management policies compliant with ISO 14001 requirements, implementing a comprehensive environmental management system to achieve internal environmental targets. During the reporting period, COSCO Kansai Companies and Jotun COSCO continued to hold ISO 14001 Environmental Management System certifications, providing a solid guarantee for environmental management work. In addition, the Group has established a robust internal risk control system and management framework, utilising a top-down approach to comprehensively identify various environmental hazards in daily operations, ensuring that risks are properly managed at the operational level. In 2025, no environmental violation cases occurred across the Group's operating units, indicating steady and orderly progress in environmental management.



ISO 14001 Certification Certificate of Jotun COSCO Marine Coatings (Qingdao) Co., Ltd.

ISO 14001 Certification Certificate of COSCO Kansai Paint (Shanghai)

The Group attaches great importance to routine environmental training and the establishment of emergency management systems for contingent environmental incidents. Through a combination of institutional norms, skills training, and practical drills, we comprehensively strengthen all employees' environmental awareness and emergency response capabilities, building an environmental safety defense line based on "Prevention First, Rapid Response, and Efficient Handling".

COSCO Kansai Companies have formulated the "Emergency Plan for Contingent Environmental Incidents", specifying emergency response procedures for scenarios such as wastewater leaks, hazardous waste spills, and excessive exhaust emissions. It has equipped emergency supply reserves and established emergency rescue teams. In 2025, they organised 12 specialised environmental training sessions with 1,102 participants; conducted 9 emergency training sessions covering 200 key personnel and emergency team members; and organised 2 emergency drills for wastewater leaks and hazardous waste spills, with 150 participants.

Jotun COSCO organised comprehensive training for all employees on a regular basis, covering environmental laws and regulations, waste disposal procedures, corporate environmental management systems, environmental KPIs, and key management protocols (including exhaust gas, wastewater, noise, and solid waste management). On an ongoing basis, the company conducts normalised environmental training through various formats, including three-level safety education, morning briefing shares, and small-scale practical exercises. In terms of emergency management, the company conducted two comprehensive emergency drills in June and November 2025, achieving 100% employee coverage. Environmental regulatory authorities were invited to observe and provide on-site guidance during these exercises, enhancing our employees' capacity to respond to contingent environmental incidents.

To pursue continuous improvement in environmental management, the Group regularly commissions third-party agencies to conduct environmental audits of business operations, focusing on identifying areas for improvement in wastewater, exhaust gas, and noise management. In accordance with operating license regulations, COSCO Kansai Companies proactively adopt additional governance measures to adapt to increasingly stringent emission limits.

4.2 Green Operations

The Group consistently regards green operations as a core mechanism for environmental protection. Focusing on key areas such as exhaust gas treatment, noise management, standardised waste disposal, water conservation, efficient energy utilisation, and resource circulation optimisation, we continuously deepen environmental measures, innovate management models, and rely on technological upgrades and process optimisation to reduce the environmental impact of business operations, promoting the coordinated development of production and ecological protection.

4.2.1 Exhaust Gas and Noise Management

Exhaust Gas Management

The Group's primary gas emissions are volatile organic compounds (VOCs, including benzene, toluene, and xylene) and particulate matter generated by our coating production business. With increasingly strict environmental regulations, we have further strengthened the full-process control of exhaust gases, building a comprehensive governance system of "Source Reduction+Process Collection+End-of-pipe Treatment+Real-time Monitoring". In 2025, the Group's all emission indicators met the standards.

COSCO Kansai Companies continue to promote the substitution of solvent-based coatings with waterborne coatings. In 2025, waterborne paint accounted for 56.2% of total production, effectively reducing VOCs generation. Production workshops are fully equipped with highly efficient exhaust gas collection devices, ensuring a collection rate of over 95%, and unorganised emissions are reduced by optimising production process parameters. Concurrently, the company continuously upgrades its online exhaust monitoring equipment and data acquisition systems, while regularly conducting manual testing and comparison testing of online equipment in accordance with national standards. The company innovatively built an exhaust emission early-warning mechanism; when online monitoring data approaches limit values, it automatically triggers alerts notifying relevant personnel for timely handling, ensuring emission data is authentic, accurate, and traceable. During the reporting period, COSCO Kansai Companies commissioned a third-party agency to conduct an annual environmental impact audit on pollutant management, covering all production areas, environmental facilities, and discharge outlets, with no non-conformities found.

Jotun COSCO actively promotes low-VOCs products, which now account for over 90% of its overall product portfolio, continuously practicing low-carbon and environmental protection concepts to help reduce environmental pollution.

Regarding end-of-pipe treatment, COSCO Kansai Companies and Jotun COSCO continue to use Regenerative Thermal Oxidizers ("RTO") employing "Catalytic Combustion" technology to treat organic exhaust gases, paired with bag filters to treat dust, ensuring all pollutant emission concentrations strictly comply with national and local standards.



2025 Key Performance

COSCO Kansai Companies implemented strict controls over VOCs emissions, setting a target for hourly average emission concentration below 50 mg/m³. During the reporting period, all relevant discharge outlets achieved stable and compliant emissions, continuously ensuring production and operational activities met environmental management requirements.

Jotun COSCO strictly adheres to all applicable laws and regulations, ensuring that emissions consistently meet discharge standards.

Noise Management

The Group attaches great importance to noise pollution prevention and the protection of employees' occupational health during production and operations. Strictly abiding by relevant laws, regulations, and pollutant discharge permit requirements, we have established a standardised noise monitoring and control system. By continuously optimising process layouts, adopting sound insulation and noise reduction engineering measures, and regularly conducting boundary noise testing, we ensure stable and compliant boundary noise emissions, effectively reducing impacts on the surrounding environment and communities.

In accordance with the "Measures for the Administration of Pollutant Discharge Permits", COSCO Kansai Companies conduct quarterly noise testing in areas one meter outside the factory boundaries. Testing indicators strictly follow the standards approved by the discharge permit. The companies manage factory noise primarily through sound insulation measures and continuously optimise noise governance effectiveness. In 2025, at the Shanghai factory, where RTO equipment noise is relatively high and located near the north boundary wall, a noise reduction wall project was completed expected to lower noise by 5–10 decibels, further ensuring stable compliance of factory boundary noise.

Jotun COSCO conducted monthly routine noise monitoring within our onsite workshops. Job categories with potential noise exposure include additive weighing operators, PLC operators, material preparation workers, sanding operators, charging workers and packaging workers. Targeted monitoring is conducted on the noise exposure conditions faced by these various job types. Additionally, the company engaged third-party agencies to perform quarterly professional inspections of day and night noise levels at our plant boundaries. Throughout 2025, all monitoring data met the requirements of relevant standards.



2025 Key Performance

COSCO Kansai Companies set a factory boundary noise control target of below 50 decibels. During the reporting period, online monitoring and on-site testing confirmed that all noise indicators met control requirements.

4.2.2 Waste Management

Adhering to the principles of "Reduction, Resource Utilisation, and Harmlessness", the Group's subsidiaries establish classified waste management systems based on their specific conditions, strengthening full-process traceability to ensure standardised disposal of all waste. In 2025, no negative incidents such as toxic substance leaks or illegal waste disposal occurred across the Group.

COSCO Kansai Companies formulate and implement the "Hazardous Chemicals Warehouse Management Regulations" and "Waste Management Regulations", reinforcing standardisation in hazardous material storage and waste treatment. For storage and disposal, they have set up dedicated anti-seepage and anti-corrosion warehouses to store hazardous waste, categorised and affixed with standardised labels, transferred by dedicated personnel using special sealed containers to prevent spills and leaks; non-hazardous waste is processed regularly every month and stored in independent warehouses. All waste is handed over to qualified third-party agencies for disposal, with standardised disposal contracts signed to track the entire process. To improve management accuracy and traceability, the companies established an electronic ledger system for hazardous waste, enabling real-time entry and querying of generation, storage, transfer, and disposal volumes, significantly boosting traceability efficiency. Additionally, the companies commissioned a third party to conduct an annual environmental impact audit of waste management, covering all production workshops, warehouses, and wastewater treatment stations, with no non-conforming items identified.

Environmental, Social and Governance Report

Jotun COSCO continues to implement its “Solid Waste Management” and supporting systems, achieving solid waste classification, standardised hazardous waste labeling, and full coverage of post responsibilities. In 2025, a new requirement for all-staff solid waste management training was introduced to enhance environmental awareness and compliance execution. The company established a refined classification mechanism, strictly distinguishing between domestic garbage, industrial solid waste (hazardous/non-hazardous), and contractor waste. The company actively advances conservation and recycling initiatives by minimising the use of tank-cleaning water and solvents through their systematic reclamation and reintegration into the production cycle. At the same time, the company maintains strict control over paint scrap volumes, prioritising the recovery and reuse of returned paint products. Key operational improvements include the use of liner bags to enable the reuse of steel drums and the classification of dust collector waste as general solid waste, and the replacement of 20-liter single-use paint pails with 1,000-liter recyclable Intermediate Bulk Containers (IBCs)—a practice now expanded across multiple shipyards — thereby significantly enhancing our waste-to-resource utilisation. Hazardous waste is disposed of by qualified contractors, and the warehousing department uses digital tools to record waste types, quantities, and transport information, enabling scan-code warehousing and electronic transfer slip management.

COSCO SHIPPING International Trading specifically implemented the “Hazardous Waste Management System” for its directly managed and leased asphalt terminals, effectively preventing environmental risks.

Case: Jotun COSCO Waste Management Enhancement Seminar

In 2025, the company organised a specialised seminar dedicated to enhancing waste management, conducting in-depth explorations of optimisation strategies for waste classification, reduction, and resource utilisation to continuously refine internal waste management system. Simultaneously, the company conducted environmental advocacy and training through various channels, including departmental meetings and the “I Care” environmental theme-learning program. These initiatives comprehensively strengthened the environmental awareness and sense of responsibility among all employees, ensuring that environmental protection principles are integrated into every aspect of daily production and operations, while fostering internal momentum for sustainable corporate development.



2025 Key Performance

COSCO Kansai Companies general solid waste generation decreased by 2% year on year; hazardous waste generation decreased by 1% year on year; the compliant disposal and utilisation rate of waste reached 100%.

Jotun COSCO's solid waste generation intensity target was 16.1 kg/tonne of product. The actual achieved value was 14.35 kg/tonne, outperforming the annual target.

4.2.3 Water Resource Management

Water resource protection is an essential component of the Group's green operations. Although the Group's coating production business is not highly dependent on freshwater resources and does not generate a large amount of wastewater during production, we remain committed to managing freshwater use and wastewater discharge responsibly.

Water Intake and Management

The Group's production enterprises strictly abide by local water withdrawal permit systems, sourcing water from municipal water supply systems and reporting withdrawal data monthly to ensure legal compliance. In 2025, the Group encountered no issue in sourcing water, and water supply remained stable.

In terms of water management, COSCO Kansai Companies implement a tiered metering model, installing independent meters in all workshops and key water-using processes. Water usage is categorised into four types: production process water, equipment cleaning water, cooling circulation water, and office/domestic water, with clear quotas assigned to each unit. A daily inspection system for water usage is established to check equipment operations and eliminate "Running, Emitting, Dripping, and Leaking" phenomena.

Case: COSCO Kansai Companies Conduct Special "Water-Saving Awareness" Training

The companies continuously promote water-saving awareness among employees, conducting special "Water-Saving Awareness" training in May covering 180 participants. Through "Water-Saving Awareness" training, employees developed actionable skills to reduce water consumption in daily operations, further reinforcing our commitment to responsible water stewardship as a core component of our environmental strategy.



Jotun COSCO has installed initial rainwater collection facilities to process and reuse rainwater for landscaping irrigation, achieving water resource recycling. The company manages its water consumption through initiatives such as advocating for water conservation, utilising water meters for real-time monitoring, and conducting routine inspections to detect and repair "Running, Emitting, Dripping, and Leaking" phenomena. Combined with the regular maintenance of water-related equipment and facilities, these measures ensure that our water use is standardised, secure, and in full compliance with regulatory requirements.

The Shanghai Shipping Property at No. 700 Dongdaming Road, leased by COSCO SHIPPING Smart-Sailing, passed the BOMA certification, indicating standardised water resource management.

Case: Plants of COSCO Kansai (Zhuhai) Commissions Pure Water Automatic Dosing System

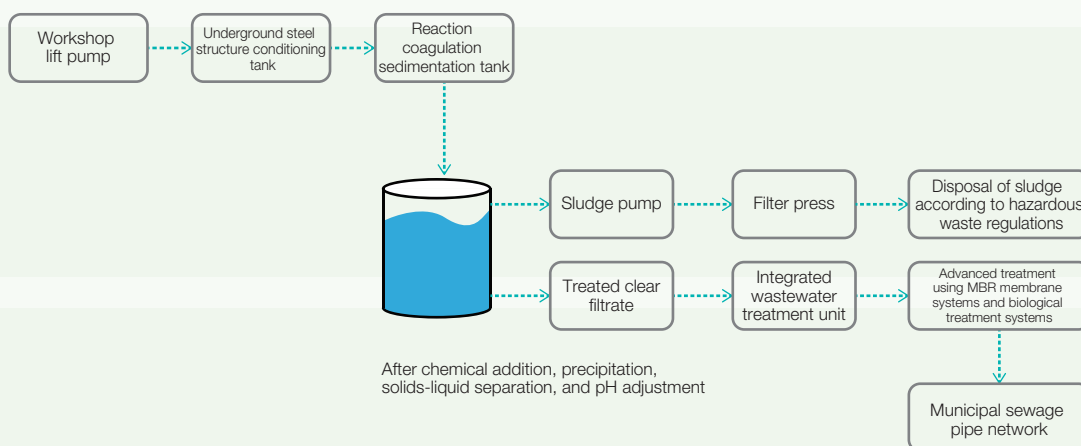
Plants of COSCO Kansai (Zhuhai) utilised "One PLC+Two Sensors" to build a cross-floor quantitative dosing architecture, locking flow accuracy at $\pm 1\%$. This not only eliminated manual recording errors but also reduced pure water waste by 60 tonnes annually. It practices green water resource conservation concepts while enhancing production efficiency and product quality.



Wastewater Management

The Group conducts quarterly monitoring and analysis of wastewater quality to ensure that discharges strictly comply with the “Integrated Wastewater Discharge Standard” and other relevant regulatory requirements. Prior to discharge, we implement full-process control and commission qualified third-party agencies to assist with wastewater treatment, further ensuring treatment effectiveness and compliance.

Regarding drainage monitoring, COSCO Kansai Companies continue to enforce a quarterly wastewater analysis system, ensuring the quality of discharged wastewater fully complies with applicable standards. Strictly following the “B44廢棄物管理規定 (B44 Waste Management Regulations)”, the companies monitor wastewater in real-time via an automated environmental monitoring platform. If anomalies in pH or Chemical Oxygen Demand (“COD”) concentrations are detected, an investigation and handling process is initiated immediately.



COSCO Kansai Companies Wastewater Treatment Flowchart

Jotun COSCO maintained the normal operation of its existing wastewater discharge management system. It kept regular monitoring frequency for rainwater and accidental water, conducted routine inspections on facilities such as rainwater valves and septic tanks, and ensured compliant discharge.



2025 Key Performance

COSCO Kansai Companies set a control standard for wastewater COD concentration below 500 mg/L. During the reporting period, confirmed by online monitoring and manual sampling, the wastewater COD concentration met the discharge standards stably.

4.2.4 Energy Utilisation

Seizing the dual opportunities of energy structural transformation and energy conservation, the Group has established a robust energy management system. Through technological upgrades, equipment modifications, and utilisation of renewable energy, we continuously improve energy efficiency and reduce energy consumption intensity. In the meantime, we actively apply for “Green Factory” and “Low-Carbon Factory” certifications to continuously promote green manufacturing and low-carbon development.



2025 Key Performance

Shanghai Plant under COSCO Kansai Companies obtained the provincial “Green Factory” qualification. Zhuhai Plant applied for national “Green Factory” qualification.

Jotun COSCO was recognised as one of the first batch of national-level “Green Factory” recognised by the Ministry of Industry and Information Technology after assessment.

Energy Management System Construction

The Group's subsidiaries, COSCO Kansai Companies, established an Energy Management Leadership Group to coordinate daily energy management, and formulated the "Energy Management Work Guidelines", specifying procedures for energy metering, statistics, analysis, and assessment. Furthermore, the companies established an energy consumption ledger to monthly analyse consumption trends and conducts regular energy audits to accurately identify energy-saving potential. In 2025, the company successfully passed ISO 50001 energy management system annual surveillance audits.

Jotun COSCO formulated management systems and policies related to energy utilisation, clarifying requirements for energy conservation and emission reduction.



"Green Factory" Certificate of Shanghai Plant under COSCO Kansai Paint (Shanghai)



ISO 50001 Certification of COSCO Kansai Paint (Shanghai)

Implementation of Energy-Saving Measures

In 2025, COSCO Kansai Companies continuously advanced energy-saving, carbon reduction, and green upgrades in its production systems, systematically making improvements across equipment optimisation, energy consumption control, clean production, and green product innovation. The companies retrofitted 4 energy-consuming old sand mills for energy efficiency, optimised production scheduling to achieve balanced production loads, and simultaneously promoted refined energy management by installing an energy monitoring system for real-time tracking, analyses, and optimisation of energy data. To further reduce emissions from movable sources on-site, the companies completely phased out diesel forklifts, effectively cutting down energy consumption and pollutant emissions from on-site movable sources.

Jotun COSCO has completed a comprehensive lighting upgrade across its entire facility during the reporting period, replacing traditional fixtures with energy-efficient LED systems to effectively reduce power consumption, utility costs, and overall carbon emissions. Concurrently, the company has advanced key automation projects — such as Automated Conveying and Wrapping (ACW) lines and Automated Guided Vehicles (AGVs) — which have significantly improved production efficiency. Furthermore, by upgrading the air conditioning, chilled water, and hot water systems in designated areas of the plant, these integrated measures have successfully driven a further reduction in our carbon emissions per unit of product.

Case: COSCO Kansai Companies' Energy Management Platform

COSCO Kansai Companies have implemented an intelligent energy monitoring platform to track real-time electricity and other energy consumption across all manufacturing facilities. Leveraging big data analytics, the system accurately identifies energy anomalies and conservation opportunities, enabling the management to formulate targeted optimisation strategies. Equipped with automated alert mechanisms, the platform notifies relevant departments immediately when specific energy consumption exceeds benchmarks, ensuring continuous improvement in energy efficiency and supporting the companies' steady progress toward carbon reduction goals.



In addition, COSCO Kansai Companies continuously enhanced employees' energy-saving awareness by launching the "Energy Conservation, Starting with Me" themed activities, organising seminars and essay contests, thereby transforming energy-saving concepts into conscious actions. The companies strictly implement refined energy management by setting air-conditioning temperature norms, regularly inspecting and turning off unused electrical appliances; advocating for green commuting by encouraging employees to use public transport, prioritizing low-carbon travel options for business trips, and promoting digital office alternatives for physical trips, recording fuel and energy consumption data to analyze and unlock potential energy-saving opportunities.

Jotun COSCO also carried out energy-saving and emission-reduction awareness training and promotional activities for all staff during the reporting period, strengthening energy-saving consciousness and execution across all segments — from frontline production to office, supply chain, sales, marketing, and finance.



2025 Key Performance

COSCO Kansai Paint (Shanghai) set targets for 2025 to reduce comprehensive energy consumption by 2% year-on-year and comprehensive energy consumption per unit product by 3% year-on-year. During the reporting period, the targets were successfully achieved.

In 2025, Jotun COSCO set a target for power consumption per unit of product at 50.5 kWh/tonne. During the reporting period, the company successfully achieved this energy conservation target, recording an actual power consumption per unit of product at 46 kWh/tonne.

Renewable Energy Utilisation

To actively respond to national dual carbon goals and sustainability strategies, the Group continuously promotes energy structure optimisation and low-carbon transition upgrades, guiding subsidiaries to vigorously develop renewable energy, strengthen clean energy alternatives, and apply green power, thereby continuously improving energy efficiency and low-carbon development levels.



2025 Key Performance

COSCO Kansai Companies completed a 3,500-square-meter rooftop photovoltaic power project in 2025 with an installed capacity of 358.07 kW, generating approximately 400,000 kWh of electricity annually. All power generated was used for production, reducing carbon emissions by approximately 310.54 metric tonnes annually.

Jotun COSCO actively promotes the transition to clean energy through: following the completion of photovoltaic (PV) carports in late 2024, the system generated 290,000 kWh of electricity in 2025, reducing carbon emissions by approximately 153 metric tonnes. Furthermore, by procuring 6.56 million kWh of green electricity, the company achieved a 100% green power consumption for the entire year, leading to an additional reduction of 3,479 metric tonnes of carbon emissions. In tandem with these energy initiatives, the company has fully replaced its fuel-powered shuttle buses with new energy vehicles (NEVs) and decommissioned a fuel-powered executive car, resulting in an annual reduction of approximately 0.4 metric tonnes in gasoline consumption.

Case: Grid Connection of Distributed Photovoltaic Project at Zhuhai Plant under COSCO Kansai Companies

The distributed photovoltaic project at Zhuhai Plant under COSCO Kansai Companies covers areas such as office buildings, warehouses, and carports, occupying a total area of 4,628 square meters with a total installed capacity of 620kW. The annual power generation is expected to reach 687,100 kWh, replacing approximately 206 tonnes of standard coal equivalent (tce) and reducing CO₂ emissions by 138 metric tonnes. This marks the plant's official entry into a new green energy operational phase of "Self-generation for Self-consumption with Surplus Power Going to the Grid".



Case: Launch of the Jotun COSCO Photovoltaic Carport Project

The Jotun COSCO Photovoltaic (PV) Carport Retrofit Project involves replacing traditional roofing with solar panels, integrated with four 20kW charging piles serving 24 parking spaces. Since its commissioning, the rooftop PV system has provided a consistent supply of renewable energy to the plant, effectively supplementing the plant's power demands. This initiative significantly reduces the site's carbon emission and serves as a key driver in achieving the company's corporate carbon reduction targets.



4.2.5 Resource Optimisation

The Group insists on giving equal emphasis to efficient resource use and reuse. Centering on multiple dimensions such as production process optimisation, waste recovery, and office conservation, we continuously deepen resource optimisation measures to fully practice the concept of circular economy.

Environmental, Social and Governance Report

The Group's subsidiaries, COSCO Kansai Companies, formulated and implemented the “能源資源節約控制程序 (Energy and Resource Conservation Control Procedures)”, providing clear guidelines for employees to effectively utilise resources such as water, electricity, and steam during production. The management procedures cover resource metering, quota management, conservation measures, assessment, rewards and penalties, ensuring rational resource allocation. Meanwhile, the companies actively promote the recycling of packaging barrels to reduce the waste of packaging materials and increase the resource recycling rate.

Case: Commissioning of Additive Dispensing Station at Jinshan Plant under COSCO Kansai Paint (Shanghai)

The additive dispensing station at the Jinshan Plant under COSCO Kansai Paint (Shanghai) is equipped with an advanced automated weighing system that precisely regulates the addition of various additives like dispersants and thickeners. This not only significantly enhances the key properties of paints such as flowability and adhesion but also effectively avoids overflow waste caused by manual dosing and reduces direct contact with hazardous chemicals.



Jotun COSCO has established management policies and systems related to the circular economy, focusing on resource conservation and recycling during production, clearly specifying material usage requirements. During production, the company actively implements conservation measures, reducing the use of tank-cleaning water and solvents to lower resource consumption at the source. It also carries out material recycling initiatives, recovering packaging waste for reproduction and processing expired raw materials and removed paints for reuse, effectively reducing waste of resources in production. For post-sale material handling, the contractors are responsible for the subsequent disposal of relevant materials.

Case: Jotun COSCO Implements Electronic Delivery Tickets

The Qingdao Plant of Jotun COSCO implemented full-scale Electronic Delivery Tickets (EDT), replacing the traditional paper sign-off model. Customers can complete electronic sign-offs via QR codes, with data synchronized to the transportation management system in realtime. This initiative can shorten the delivery-to-invoicing process from 11 days to 3 days, reducing paper usage by 1.04 tonnes annually and reducing carbon emissions by 1.35 tonnes, driving resource conservation and environmental protection through digital transformation.



Subsidiaries such as COSCO SHIPPING International Trading continuously reduce office resource consumption by implementing simple conservation measures like turning off computers after work and double-sided printing. The company also displays posters in the office to strengthen employees' awareness of resource conservation.

4.3 Biodiversity and Ecological Protection

As an important participant in the global shipping services and manufacturing industries, the Group profoundly recognises the importance of biodiversity and ecological protection, consistently integrating ecological protection concepts into the entire business operation process. The Group and its subsidiaries strictly comply with relevant laws and regulations such as the “Environmental Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Soil Contamination”, and the “Law of the People’s Republic of China on the Protection of Wildlife”, ensuring that all business activities meet ecological protection requirements. In the research and development (R&D) as well as the production stages, we strictly follow the Performance Standard for Protective Coatings (“PSPC”), the International Convention on the Control of Harmful Anti-fouling Systems on Ships (the “AFS Convention”), and the International Convention for the Prevention of Pollution from Ships (“MARPOL Convention”) established by the International Maritime Organisation (“IMO”), ensuring that coating products meet the highest environmental and quality standards. Since the implementation of GB 30981 “Limit of Harmful Substances of Industrial Protective Coatings” in 2020, we have consistently made it a primary focus, organising seminars to communicate restriction requirements to R&D teams and strictly reviewing product formulas. We strive to minimise the impact of operational activities on the ecological environment and protect biodiversity through various measures such as complying with regulations, strengthening pollution control, and safeguarding biodiversity.

Case: The Company Participated in “Hong Kong Tree Planting Day 2025”

On 22 March, the Company’s Recreation Club organised 17 employees and their families to participate in the “Hong Kong Tree Planting Day 2025” event held at Tai Tong, Yuen Long. Teaming up with nearly 2,000 people from all walks of life in Hong Kong, they collaboratively planted 5,000 native saplings, supporting Hong Kong’s ecological construction with actions.



Regarding soil environmental management, we strictly implement the main responsibility for soil pollution prevention and control. COSCO Kansai Companies and Jotun COSCO signed the “土壤污染防治責任書 (Letter of Responsibility for Prevention and Control of Soil Pollution)”. In 2025, COSCO Kansai Companies regularly conducted soil monitoring and submitted the Annual Soil Environment Self-Monitoring Report to local government departments, proactively accepting supervision to prevent soil pollution risks.

Jotun COSCO undertook assessments in accordance with the “中遠佐敦土壤自行監測方案 (Jotun COSCO Soil Self-Testing Scheme)” to monitor potential soil pollution risks.

Case: National Standard GB/T 6822-2024, Co-Drafted by Jotun COSCO, Officially Implemented

The national standard GB/T 6822-2024 “船體防污防銹漆體系 (Anti-fouling and Anti-rust Paint Systems for Ship Hulls)”, which Jotun COSCO participated in drafting, was officially implemented on June 1, 2025. The standard details product classifications, requirements, and testing methods for anti-fouling and anti-rust systems for steel ship hulls, which helps enhance vessel durability and operational efficiency while reducing marine environmental pollution caused by coatings.

In terms of marine ecological protection, Jotun COSCO continues to promote fuel-saving acrylic silane anti-fouling coatings. Its silicone self-polishing anti-fouling coating, SeaQuest Endura, has a low content of anti-fouling inhibitors and zero impact on the marine environment, effectively protecting marine biodiversity. Jotun COSCO persists in continuously optimising the eco-friendliness of its products, contributing corporate strength to marine ecological protection.

To prevent any adverse impacts on regional ecosystems and biodiversity caused by hazardous chemical spills, Jotun COSCO has established a Specialised Emergency Plan for Contingent Environmental Incidents and Leakage Accident. This plan formalises end-to-end response protocols — spanning from initial detection to post-incident investigation. To ensure operational readiness, the company has strategically deployed 29 categories of emergency materials and equipment across our facilities and formed dedicated professional and volunteer response teams. The capacity-building framework includes semi-annual comprehensive training, and at least one annual site-wide drills. Furthermore, the company mandates a biennial review and update of the contingency plans and timely maintenance of emergency resources.

4.4 Green Products and Service Innovations

As an industry leader, the Group stays closely aligned with the trend of green and low-carbon development, identifying clean technology as a strategic priority for our future technological evolution. Focusing on core areas such as technological innovation strategies, intelligent manufacturing and digital transformation, and new marine energy technologies, we continuously advance the R&D of green products and innovate service models. By driving low-carbon transition through innovation, we provide customers with high-quality green solutions.

In 2024, the Group, jointly with 吉林電力股份有限公司 (Jilin Electric Power Co., Ltd.*) and 上港集團能源(上海)有限公司 (Shanggang Group Energy (Shanghai) Co., Ltd.*), established 上海吉遠綠色能源有限公司 (Shanghai JOYFuel Green Energy Co., Ltd*). Leveraging on the three parties' advantages in shipping logistics, port supply chains, and new energy production, the joint venture promotes the green transformation and sustainable development of the shipping industry, contributing to global energy transition.

COSCO Kansai Companies continue to deepen its presence in the field of eco-friendly coatings. Building on the substitution of solvent-based coatings with waterborne ones, it has further optimised product formulas to enhance environmental performance and usage efficiency. Its waterborne container coatings have passed the Environmental Product Declaration (EPD) evaluation by a qualified third-party agency, obtaining the first EPD certificate in the container coatings industry, providing customers with scientific, comparable product full-lifecycle environmental impact data.

While continuously deepening its industrial layout, Jotun COSCO's environmental strategy centers on themes such as "Energy Saving", "Emission Reduction", "VOC Emission Reduction", "Green Manufacturing", and "Intelligent Monitoring". Jotun COSCO is actively promoting smart hull monitoring and proactive cleaning technologies, such as Hull Skating Solutions (HSS/HullKeeper) and HullKeeper, while rapidly scaling the application of clean coatings within the high-growth New Energy Vehicle (NEV) sector. The company remains committed to technological upgrades in low-VOC, high-solids, and waterborne coatings, providing full-lifecycle clean technology solutions for the marine, energy, and industrial sectors, developing high-performance eco-friendly new materials such as bio-based and solvent-free systems, and advancing the application of data-driven digital clean technologies for energy conservation. The company continues to invest in relevant fields, providing solid financial support for the implementation of various green and intelligent upgrades as well as technological R&D. To expand our R&D and industrial capacity, we are investing RMB 3.5 million in the Zhangjiagang High-Performance Powder Coating R&D Center and RMB 13 million in a new energy fire-resistant powder coating expansion project, primarily targeting the electric vehicle (EV) component sector. Furthermore, the company has formulated a long-term investment plan for the intelligent and automated transformation of the production end, which will continue through 2030 and has already been implemented at our Qingdao and Zhangjiagang production bases.

To meet its strategic development needs, the Company expects to complete a capital increase to COSCO SHIPPING Smart-Sailing, and the shareholders' resolution approving the capital increase proposal has already been passed. Through this capital increase, the Company will fully support COSCO SHIPPING Smart-Sailing in becoming an industry-leading enterprise focused on the shipping services sector, providing full-lifecycle green, low-carbon and digital-intelligent solutions. It is committed to empowering industrial upgrading through technological innovation and leading the sustainable development of the industry. This strategic investment represents not only financial empowerment for the Group's shipping services segment, but also a key milestone in its future-oriented, in-depth deployment of digital and intelligent transformation as well as green and low-carbon development in the shipping industry. It marks a substantial step forward for the Company in upgrading the shipping service ecosystem.

During the reporting period, COSCO SHIPPING Smart-Sailing continuously deepened its green and low-carbon products. By utilising real-ship and new energy data, and integrating industry big data and algorithm models, it analyses initial loading and vessel sailing states to provide speed recommendations and automatically conducts energy efficiency analyses after voyages conclude. Supported by the Group's open smart ship and navigational mark data, it realises scientific measurement, digital monitoring, and visual supervision of operational vessel carbon emissions. By combining the fleet's total carbon emissions, carbon market prices, and capital costs to design models, it helps shipowners fulfill EU-ETS compliance at low cost, guides green operations, and builds an industry digital green emission reduction and carbon asset digital management platform. Its CII calculator has received certification from classification societies. Furthermore, COSCO SHIPPING Smart-Sailing cooperated with headquarters to research the status of EU Allowances (EUA) and completed the EUA platform construction plan, further perfecting the green service ecosystem.

Case: Launch of the Country's First "Production-Bunkering-Application" Tri-End Co-constructed Green Methanol Demonstration Project

On October 30, the Lishu Wind/Solar-to-Green Hydrogen Biomass Coupled Green Methanol Project, jointly invested and constructed by the Group, 吉林電力股份有限公司 (Jilin Electric Power Co., Ltd.) and 上港集團能源(上海)有限公司 (Shanggang Group Energy (Shanghai) Co., Ltd.), officially commenced excellent construction in Lishu County, Siping City, Jilin Province.

This project is the country's first "Production-Bunkering-Application" tri-end co-constructed green methanol demonstration project and a key project in Jilin Province's "Green Hydrogen+" industrial cluster. It bridges the entire industrial chain from green fuel production to vessel bunkering and shipping application, providing a closed-loop solution for green shipping. Upon completion, the project will produce 197,200 metric tonnes of green methanol annually and reduce CO₂ emissions by approximately 300,000 metric tonnes.



Case: Jotun COSCO Launches SeaQuantum X200 Anti-fouling Paint

Jotun COSCO's Hull Performance Solutions (HPS) anti-fouling paint SeaQuantum X200, based on next-generation methacrylic silane technology, was applied to the vessel 中遠騰飛 (COSCO Tengfei). It reduced the vessel's fuel consumption on its maiden voyage after dry-docking by 2.3% and decreased GHG emissions by approximately 1,118 tonnes. Since its launch, it has served over 2,000 ocean-going vessels globally, cumulatively helping Chinese customers reduce carbon emissions by over 12 million tonnes, becoming a core supporting product for the shipping industry's green transition.

Case: Jotun COSCO Launches Jotamastic Smart Pack HB Easy-Coat 1+1 Green High-Efficiency Coating

Jotun COSCO launched the new Jotamastic Smart Pack HB Easy-Coat 1+1 coating. This high-build, low-surface-treatment epoxy primer features a 1:1 volume ratio component design, allowing for quick mixing without weighing. The small 5L+5L packaging avoids waste from large barrels. The product has high solid content, with a single-coat dry film thickness reaching 200 microns — equivalent to the protective effect of two traditional primer coats — saving over 30% in labour hours. It supports application after St2-grade manual derusting and can cure between -10°C and 40°C, enhancing maintenance efficiency while reducing material waste and environmental impact.



Case: COSCO SHIPPING Smart-Sailing Launched the “Spare Parts Full Life Cycle Digital and Intelligent Solution”

Based on the concept of digital and intelligent management for the full life cycle of spare parts, COSCO SHIPPING Smart-Sailing continuously advanced the R&D of the spare parts digital and intelligent solution. The company utilises advanced digital technology, AI technology — especially large models and data elements — to continuously deepen digitalisation and intellectualisation across all links of spare parts demand, procurement, supply to vessels, and inventory management. This achieves closed-loop digital and intelligent management of spare parts, reducing procurement costs, optimising vessel inventory structures, and improving usage efficiency. In 2025, the company launched core digital and intelligent products such as predictive maintenance for key vessel equipment, spare parts demand prediction, and large model parsing for inquiry and quotation emails, assisting shipping companies in achieving digital and intelligent spare parts management.



5. EMPLOYEE MANAGEMENT

Human capital is the Group's most valuable asset and a crucial cornerstone for building core competitiveness. We consistently adhere to a "employee-centred" management philosophy, dedicated to creating a diverse, inclusive, and vibrant work environment. We have formulated a human resources strategy based on four management principles, which are managing by regulations, establishing an open and fair system, meritocracy and placing equal emphasis on rights and responsibilities, which serve as the guiding principles for our human resources strategy.

We are committed to maintaining high quality, professionalism, and business integrity in our operations. The Group strictly complies with relevant employment rules and regulations, including but not limited to:

- "Employment (Amendment) Ordinance 2022" (Hong Kong);
- "Employees' Compensation Ordinance" (Hong Kong);
- "Labour Law of the People's Republic of China";
- "Labour Contract Law of the People's Republic of China";
- "Provisions on Prohibition of Child Labour";
- "Law of the People's Republic of China on Protection of Disabled Persons";
- "Trade Union Law of the People's Republic of China";
- "Special Rules on the Labour Protection of Female Employees"; and
- "Implementation Measures for Paid Annual Leave for Employees of Enterprises".

During the reporting period, there was no non-compliance of the above rules and regulations in relation to the Group's employee management.

5.1 Labour Standards

The Group is committed to upholding human rights and labour rights, striving to provide a safe, healthy, fair, and respectful work environment for the Company's full-time employees, contractors, and others. We strictly abide by national laws and regulations as well as relevant provisions of our parent company, support and uphold the International Labour Organisation (ILO) Core Conventions and associated standards resolutely implementing policy requirements regarding elimination of child labour and forced labour, anti-discrimination and anti-harassment, freedom of association, and collective bargaining. Any form of forced labour, disguised forced labour, restriction of employees' personal freedom, or forcing employees to work overtime is strictly prohibited, while we commit to providing a living wage and job security for all employees. We expressly forbid discrimination and harassment based on gender, age, ethnicity, race, religion, disability, marital status, nationality, or any other aspects.

Furthermore, we support trade unions in carrying out their work in accordance with the law and have established collective bargaining mechanisms. The Company and the union conduct equal consultations on matters such as remuneration, benefits, and working conditions, safeguarding employees' legitimate rights and statutory rights such as the right to rest and vacation, the right to labour remuneration, and the right to occupational health and safety.

During the reporting period, we did not have any acts that violated the employees' rights.

To eliminate child labour and forced labour, we have established a compliance review mechanism throughout the recruitment process. We strengthen management by strictly verifying identity information, conducting full-coverage background checks, perfecting onboarding registrations, establishing employee onboarding information files, and simultaneously controlling and supervising outsourced labour, conducting regular employment checks. The Human Resources Department verifies candidates' basic information (such as age); upon hiring, employment contracts are signed with new employees to ensure that they understand the relevant employment terms and clarify the employment relationship.

If any violations regarding child labour or forced labour are discovered, we will immediately investigate and suspend the work of relevant personnel and establish a special investigation team to verify the facts. If child labour is confirmed, we will immediately contact the child's guardian, arrange for their safe return, report to the local labour security department as required by national regulations, and cooperate with government departments in handling the matter. If forced labour is confirmed, we will immediately terminate the relevant violating arrangements, safeguarding the employee's personal freedom and legitimate rights; responsible persons will be severely disciplined, with minor cases receiving demerits or demotions, and severe cases resulting in employment contract termination and referral to judicial authorities. Furthermore, we will thoroughly analyse the causes of the violations, improve recruitment and employment management processes, close management loopholes, include the rectification status in the company's compliance management files, and conduct regular re-examinations.

Additionally, we integrate human rights training into our core employee training content. In 2025, COSCO SHIPPING International Trading organised company-wide learning sessions on labour laws and regulations, and occupational safety, as well as training for management on human rights management responsibilities, risk prevention, and violation handling to enhance management's human rights awareness and capabilities.

5.2 Equal Employment

The Group firmly implements diversity and inclusion policies, dedicated to creating a fair and just workplace ecosystem. In terms of recruitment, promotion, and career development opportunities, we treat everyone equally and scientifically set job qualifications, ensuring every employee receives full respect and fair treatment regardless of gender, age, family status, race, religion, nationality, sexual orientation, or disability status.

To standardise the recruitment process, the Group has formulated standardised recruitment practices and a comprehensive employment regulatory system, including the “境內員工招聘管理實施細則 (Implementation Rules for the Management of Domestic Staff Recruitment)”, “境外員工招聘管理實施細則 (Implementation Rules for the Management of Overseas Staff Recruitment)” and “僱員多元化政策 (Workforce Diversity Policy)”. We regularly evaluate recruitment quality across multi-dimensional indicators, including new employee performance, turnover rates, and hiring department satisfaction, continuously optimising recruitment strategies to improve talent acquisition efficiency and quality.

In 2025, the Group actively expanded talent acquisition channels and deeply engaged in campus recruitment activities. We successively held autumn campus recruitment fairs at top universities in Mainland China, such as Peking University, Tsinghua University, Renmin University of China, Shanghai Jiao Tong University, Tongji University, and South China University of Technology. We also actively communicated with local universities in Hong Kong, including the University of Hong Kong, the Hong Kong University of Science and Technology, and the Hong Kong Polytechnic University, to explore establishing special scholarships to attract outstanding young talent. Furthermore, the Group further innovated school-enterprise cooperation models, carrying out high-level talent exchange and cultivation to identify more outstanding young talents and provide them with career development platforms.

The subsidiaries also implement precise measures based on strategic needs. COSCO Kansai Companies focus on key areas such as digitalisation, technological innovation, green and low-carbon initiatives, and advanced manufacturing, systematically increasing the admission ratio of masters and doctors in science and engineering. It has built a multi-channel recruitment system to precisely attract talent via open recruitment, targeted talent acquisition, and talent-referring-talent methods across online and offline platforms.



2025 Key Performance

The Group newly recruited and onboarded over 40 employees.

The Group has approximately 20 employees from ethnic minority groups in China.

Case: The Company Participated in the City University of Hong Kong (CityUHK) Career Expo 2025

On February 25, the Company participated in the City University of Hong Kong Career Expo 2025. The “Victoria Harbour Spark · Illuminating Dreams” recruitment booth received enthusiastic responses, and attracted a large number of CityUHK graduates to make active enquiries and applications. Through poster displays, promotional brochures, and face-to-face communication, we briefly introduced the Company’s strategic development positioning as an “Overseas Industrial Capital Investment Operation Platform” and a “Green Digital Smart Shipping Service Platform,” and answered students’ questions regarding the management trainee programme and career development pathways.



Case: COSCO Kansai Companies Partner with Lingnan University to Launch “AI+Green” School-Enterprise Cooperation

On May 22, COSCO Kansai Companies and the Lingnan University opened a new chapter of deep integration between industry, academia, and research, jointly exploring the intelligent and green transformation path of the coatings industry driven by the dual engines of “AI+Green”. Facing the industry’s green and intelligent transformation challenges, both sides focused on AI application, green coating R&D, and joint talent cultivation. Lingnan University leverages its research advantages in AI, materials science, and environmental engineering, while COSCO Kansai Companies provide industrial scenarios to explore reducing trial-and-error costs via AI simulation experiments. This move not only breaks through industrial technical bottlenecks but also strives to cultivate talents with both AI thinking and industry experience.



5.3 Remuneration and Benefits

The Group deeply understands that competitive remuneration and benefits are key to attracting and retaining talent. We have formulated management systems such as the 直管公司工資總額管理辦法 (Measures for the Management of Total Wages of Directly Managed Companies) and 香港當地員工薪酬管理辦法 (Measures for the Management of Salaries of Local Employees in Hong Kong), providing competitive compensation packages that include base salary, performance-linked bonuses, and contributions under the Mandatory Provident Fund Scheme, achieving full coverage of performance-linked variable compensation for all employees. To further leverage the motivational effect of remuneration, we have adjusted the employee salary structure and increased the amount of position-based salaries. We have also adjusted the conditions for the year-end double pay, utilising it as an important tool to encourage employee retention.

The subsidiaries have also formulated corresponding remuneration and performance management measures. COSCO Kansai Companies revised the “薪資福利管理辦法 (Salary and Welfare Management Measures)”, comprehensively sorting out, calculating, and adjusting salary items to ensure compliance. It also formulated the “「揭榜掛帥」項目管理辦法 (Administrative Measures for 'Open Competition' Project Management)” and the “員工職業技能提升獎勵實施細則 (Implementation Rules for Employee Professional Skills Upgrade Incentives)”, achieving full coverage of variable pay linked to performance. Employees obtaining intermediate or above professional titles or skill level certificates will be rewarded, and patent application incentives are implemented based on annual performance assessments and project breakthroughs. Yuantong's year-end performance rewards are closely linked to the company's operational responsibility assessment and individual employee assessment results. COSCO SHIPPING International Trading gives special commendation rewards for outstanding backbone talents, frontline staff, and key project participants.

In addition to cash remuneration, the Group provides employees with diverse welfare benefits, including paid annual leave, sick leave, medical insurance, medical benefits, social insurance, continuous education opportunities, and training allowances. We also provide extra leave options such as paid marriage leave, maternity leave, paternity leave, and bereavement leave as needed, and set up people caring programs like gift items on certain statutory holidays, employee birthday greetings, and retiree souvenirs. COSCO SHIPPING International Trading persists in implementing flexible working hours, allowing departments to flexibly determine the times for employees to report duty within stipulated periods to promote work-life balance.

In 2025, various subsidiaries made significant progress in welfare enhancements. For instance, COSCO Kansai Companies proactively followed up on Shanghai Municipality's talent introduction and settlement policies, assisting employees in resolving settlement and residence permit point issues, and applied for reductions in disabled employment security funds, one-time job expansion subsidies, and social security fee subsidies for university graduates, securing tangible benefits for employees.

Case: The Company Held the “Golden Snake Auspiciousness, Shipping Prosperity” Lantern Festival Tea Party

On February 13, during the traditional Lantern Festival, the Company held the “Golden Snake Auspiciousness, Shipping Prosperity” 2025 Lantern Festival Tea Party. In addition to performances, the gaming session arranged games that in both Cantonese and Putonghua balanced Mainland China and Hong Kong cultural characteristics. The Group, for the first time, co-host fun question games with subsidiaries. Classic games like musical chairs and balloon defence were also played. This not only provided employees with an occasion to relax and experience traditional culture but also effectively enhanced the Company's team cohesion and team spirit.



Case: The Group's Subsidiaries Held International Women's Day Themed Activities

To celebrate the International Women's Day, the Group's subsidiaries held a variety of themed activities. For example, Shenzhen COSCO Insurance presented holiday greetings and flowers to all female employees and meticulously planned and hosted a warm and meaningful handicraft workshop.



Female employees of COSCO SHIPPING Ship Trading, experienced the art of Tufting, carefully weaving colourful yarns into various personalised patterns to create unique rugs, throw pillows, and other creative works.

5.4 Employee Training and Development

Ensuring employees receive necessary training and knowledge is the source of power for the Group's sustainable development. To enhance staff capabilities and equip them with relevant skills and expertise, we have developed a comprehensive set of guidelines known as “專業人才庫建設管理辦法 (Management Methods for Setting up of Professional Talent Pool)”. The Group offers a well-structured leadership development program, which is managed and overseen by a professional team under the leadership of the Human Resources Division. We regularly evaluate our talent pool across different business and industry sectors. To foster the growth of high-calibre talents, we have an incentive mechanism in place that offers bonuses and professional development opportunities, such as training courses, academic conferences, and exchange programmes.



2025 Key Performance

The Company implemented special learning tasks via online platforms and professional websites like the China Executive Leadership Academy Network, achieving the target of 50 hours of online training for all employees.

COSCO Kansai Companies set their annual target training hours of 46,124 hours and completed it ahead of schedule in November.

COSCO SHIPPING International Trading conducted various training sessions for over 150 participants cumulatively, with total duration exceeding 2,000 hours and an average of over 70 hours per person, achieving a 100% employee training coverage rate.

5.4.1 Training System

To foster a continuous learning culture, the Group has established a comprehensive training and development system for all full-time and part-time employees, comprising four main categories:

- **Induction training:** All new employees are required to undergo comprehensive induction training to understand the Group's corporate strategic planning, organisational structure, policies and systems. The training focuses on our occupational health and safety standards, operating procedures and staff responsibilities to ensure that new employees can quickly integrate into the team and have a clear direction of work. In 2025, the Group organised a centralised orientation program for new campus recruits. The training covered corporate culture, departmental responsibilities, sandbox simulations, and professional skills, designed to help new hires quickly transition into their roles and gain a deep understanding of our business operations.
- **Regular assessment:** The Human Resources Division regularly collects the training needs of various divisions and formulates training plans based on the actual situation of the Company. When necessary, we will engage relevant experts and professionals to conduct training courses and give presentations so that our staff can keep up with the times and perform their duties.
- **Regular training:** We will organise occupational health and business training regularly to raise employees' occupational health awareness and business capabilities.
- **External training programs:** We encourage employees to actively pursue self-improvement and support them in upgrading their educational qualifications.

Environmental, Social and Governance Report

The subsidiaries have also established distinctive training systems based on their characteristics and conducted various training programs during the year. For example, COSCO Kansai Companies conducted intensive or specialised training for middle management personnel, organising 10 promotion training sessions throughout the year. They also collaborated with the Information Management Department to launch a “Work Sharing” module on the Weaver system, uploading 10 articles of work experience sharing and training materials from middle management. The company also organised leadership training through cadre secondment exchanges and post-appointment training after open recruitment, enhancing cadres’ leadership talents and management capabilities. External training and study programs included R&D personnel study trips to Japan, government-funded training courses, and professional technical title training.

The Group also supports employee self-improvement and has established a continuing education support system covering all full-time and part-time employees. For employees participating in education and academic qualification upgrades closely related to their positions, or applying for intermediate vocational qualifications or professional titles above the intermediate level, a certain proportion of educational expenses can be reimbursed in accordance with the “員工管理辦法 (Employee Management Measures)”, “教育培訓管理辦法 (Education and Training Management Measures)”, and the “僱員多元化政策 (Workforce Diversity Policy)”, to support their career development.

COSCO Kansai Companies encourage employee self-improvement and provide support for degree programmes and certifications. Responding to the Group’s special work on reforming the cultivation of engineering master’s and doctoral students, the companies coordinated and organised employees to participate in part-time doctoral and other degree education, providing application guidance and related support. Employees who have obtained intermediate or above social titles or skill level certificates closely related to their positions will be rewarded. The companies also assist employees in applying for professional technical titles, reviewing and submitting application materials for senior and intermediate professional titles.

COSCO SHIPPING International Trading continuously encourages all employees to pursue self-improvement and continuing education. It provides a certain proportion of financial support for employees participating in special training, academic qualification upgrade education, intermediate and above title evaluations, and vocational qualification certificate examinations that are closely related to their current positions or the company’s transformation.

Case: The Company, in Collaboration with COSCO SHIPPING Talent Development Academy, Hosted a Special Training Course on Executive Comprehensive Management

On March 31, the special training course on executive comprehensive management held at the Shanghai Branch of the COSCO SHIPPING Talent Development Academy, with 47 trainees participating. The 3.5-day training course was designed closely around practical needs, covering core modules such as interpreting the spirit of the Central Eight-Point Regulation, enhancing executive and management efficiency, financial risk control strategies, cybersecurity protection, and cross-departmental collaborative communication. Through expert lectures and case studies, the training assisted trainees in achieving a “double leap” in business capabilities and team collaboration, providing a solid guarantee for realising the Company’s strategic goals. This training also pioneered an innovative model where trainees served concurrently as instructors, strengthening integration and communication between instructors and trainees and enhancing training effectiveness.

Case: The Group Held its First AI Application Training

On April 3, to implement the deployment of the “AI+” special action and strengthen the Company’s AI application level and capabilities, the Group held its first AI application training. The training utilised a hybrid model of on-site and online sessions across three venues in Hong Kong, Beijing, and Shanghai, with nearly 300 employees participating. The training content closely revolved around the practical application of AI technology in daily business, covering multiple core business areas. The professional instructor team presented AI principles and application technologies in an easy-to-understand manner through case analyses, practical demonstrations, and theoretical explanations in easy terms, helping trainees quickly understand and master practical skills for using AI tools in their daily work. This training not only enhanced employees’ digital literacy but also demonstrated the Company’s proactive determination amidst the industry’s digital transformation wave.

**5.4.2 Employee Promotion**

The Group fully recognises that employees are the core driving force for sustainable corporate development. Therefore, we are committed to building clear and diverse career development pathways. Through a comprehensive internal promotion mechanism and professional skill training, we provide employees with dual opportunities for horizontal expansion and vertical promotion.

We have developed a comprehensive set of guidelines known as “專業人才庫建設管理辦法 (Management Methods for Setting up of Professional Talent Pool)” and a well-structured leadership development program which is managed and supervised by a special team under the Human Resources Division. We regularly assess the talent pool across different industries and business sectors. In order to foster the growth of exceptional individuals, we have also instituted an incentive mechanism that includes bonuses, training courses, academic conferences and exchange programs.

In 2025, COSCO Kansai Companies formulated and revised a number of policies related to employee promotion, including the “員工職業技能提升獎勵實施細則 (Implementation Rules for Employee Vocational Skill Improvement Rewards)”, “內部技術職稱評聘管理辦法 (Administrative Measures for Internal Technical Title Evaluation and Appointment)”, and “幹部選拔、考評和任用管理辦法 (Administrative Measures for Cadre Selection, Appraisal, and Appointment)”. They have built a complete employee development system, clarifying requirements for vocational skill improvement rewards, position rotation, project breakthroughs, title evaluation, and cadre training, and set clear employee promotion pathways to provide institutional guarantees for employee development. Furthermore, COSCO Kansai Companies have established a linked mechanism between doctoral degrees, social titles, and internal technical title levels; revised the internal technical title evaluation and appointment management measures; conducted annual level assessments for technical services; and formulated the “員工崗位交流實施細則 (Implementation Rules for Employee Position Exchange)” to promote employee job rotation.

Building on the original “Management Sequence+Business Sequence” dual-track employee promotion channel, COSCO SHIPPING International Trading further studied on providing diversified career planning and development paths for employees, explored the feasibility of cross-sequence exchanges, and arranged transfers based on employee merits and strengths. Concurrently, the company provided training support for employees undergoing cross-sequence development. Additionally, the company conducts post adjustment assessments annually based on employee performance appraisal results and actual performance, in accordance with relevant system regulations, ensuring fair, open, and just promotion channels.

5.5 Employee Well-being

5.5.1 Employee Communication

The Group firmly believes that establishing open and transparent communication channels is the cornerstone for cultivating mutual trust and respect among employees. To this end, we actively collect employee opinions and feedback through diversified platforms. In accordance with the “合理化建議獎勵實施辦法 (Implementation Measures of Awards for Reasonable Recommendations)”, we encourage employees to proactively propose constructive improvement proposals to management and provide rewards for suggestions if adopted. To ensure suggestions yield tangible benefits for the Group, we established a dedicated proposal review panel responsible for assessing the feasibility and value of each suggestion, and giving corresponding financial rewards to employees whose suggestions are rated excellent, aiming to foster an open communication culture and a highly transparent corporate atmosphere.

To further strengthen the employee communication mechanism, the Group has put a dedicated human resources email address on the intranet homepage as an official channel for employees to regularly raise queries and concerns. The Human Resources Division is responsible for collecting relevant emails and forwarding them to the corresponding functional departments for timely handling, ensuring employee opinions are adequately valued and necessary follow-up actions are taken regarding employee well-being.

The Group's subsidiaries have also established multi-dimensional communication mechanisms. For example, COSCO Kansai Companies conduct anonymous employee satisfaction surveys via the Weaver system, allowing employees to freely express their opinions and suggestions regarding corporate management, remuneration and benefits, career development, and the work environment through online channels. The Human Resources Division will thoroughly analyse the feedback results and prepare a report for communication during the mid-year meeting, and subsequently formulate optimisation measures targeting the issues raised. Additionally, the companies have a “Listening Day” every month as a regular employee feedback channel. The 2025 survey results show high overall employee satisfaction, with the majority acknowledging talent cultivation, welfare guarantees, and development prospects. Targeted optimisation measures have been formulated in response to some employees' requests for refining promotion channels and optimizing work processes.

COSCO SHIPPING International Trading has established multi-level and multi-format communication channels, including holding regular employee symposiums and creating an issue ledger specifying rectification responsibilities and deadlines; regular face-to-face communication with the Administration and HR Department and persons-in-charge; and setting up an “Employee Suggestion Box” with regular checks and publicising of feedback results. In 2025, the company conducted communication, exchange, and opinion collection covering all active employees regarding corporate strategy, remuneration and benefits, and career development, and formulated rectification plans based on the survey results for implementation.

5.5.2 Employee Care

The Group is committed to promoting work-life balance for employees, comprehensively enhancing their physical and mental health and overall well-being. We regularly organise diverse cultural, recreational, and sports activities to enrich employees' leisure lives, promote physical and mental health, and simultaneously strengthen communication and team cohesion across departments, thereby improving work efficiency and a sense of belonging.

In response to the Hong Kong Government's active encouragement of corporate breastfeeding-friendly workplace policies, the Group has partnered with the Hong Kong Committee for UNICEF since 2020 to join the “Say Yes to Breastfeeding” campaign. We set up a “breastfeeding-friendly workplace” at the company headquarters, equipped with tables, chairs, tissues, power outlets, and a refrigerator for storing breast milk, providing a suitable and friendly environment for employees who need to breastfeed, allowing mothers to prepare breast milk in a safe and hygienic place. In 2025, the Company joined the UNICEF “Champions for Children” Corporate Membership Scheme, obtaining pure silver membership status and receiving a letter of appreciation, demonstrating the Company's active creation of a breastfeeding-friendly work environment and practical fulfillment of its employee care responsibilities.



In 2025, the Group and its subsidiaries organised multiple exciting activities to enrich employees' leisure lives and cultivate their sentiments.

Case: COSCO SHIPPING Hong Kong-stationed Units Held the 2025 Employee Sports Day

On November 19, the 2025 Employee Sports Day for COSCO SHIPPING units stationed in Hong Kong was held at Siu Sai Wan Sports Ground, with employees and family representatives participating. The sports events were rich and diverse, covering track and field events such as the 100m to 1,500m runs, relays, long jump, high jump, and shot put, as well as fun competitive events like the three-legged race, basketball shooting, and team tug-of-war. The event fully showcased the sportsmanship of COSCO SHIPPING people — striving for progress, uniting, and cooperating — and further enhanced the cohesion and centripetal force of the units stationed in Hong Kong.



Case: The Company Opened an Acrylic Painting Interest Class

Starting from April 2, an acrylic painting interest class organised by the Company's fellowship association officially began. The course lasted for half a year and attracted nearly 30 colleagues who actively signed up. During the class, the teacher introduced relevant knowledge and the creative process, and demonstrated landscape painting. Colleagues diligently copied and injected their own creativity. Participating employees noted that the one-hour art creation every Wednesday noon not only served as "spiritual nourishment" and a recharge but also deepened interactive communication among colleagues. Using art creation as an opportunity, this activity enhanced employees' cultural literacy and tangibly strengthened company cohesion.



5.6 Occupational Safety and Health

We deeply understand that safety is not only the baseline of compliance but also the most solemn commitment to every employee and their family. The Group strictly abides by the safety production responsibility system of “Share Responsibilities in One Post, Joint Management and Accountability for Delinquency”. We deeply implement the core principle that “Safety as an Essential Component in Managing the Industry, Business and Production and Operation”. We have formulated a set of safety production and supervision management rules, constructing an all-around, multi-level occupational health and safety management system. We are committed to building a zero-accident safe working environment and promoting high-quality corporate development through continuously optimising management structures, accurately identifying risks, strengthening training and drills, and perfecting emergency mechanisms.

We comply with all relevant safety laws and regulations in Mainland China and Hong Kong, including but not limited to:

- “Work Safety Law of the People’s Republic of China”;
- “Fire Protection Law of the People’s Republic of China”;
- “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”;
- “Safety Specifications of Special Work in Hazardous Chemicals Enterprises of the People’s Republic of China”;
- “General Rules for the Hazardous Chemicals Warehouse Storage of the People’s Republic of China”;
- “Provisions on the Administration of Occupational Health at Workplaces”; and
- “Occupational Safety and Health Ordinance” (Hong Kong).

During the reporting period, the Group did not violate any laws and regulations related to occupational health and safety.

5.6.1 Safety Management Structure

We regard the physical and mental health and operational safety of our employees as the cornerstone of sustainable corporate development. To ensure the effective implementation of our occupational health and safety policies, we established a Safety Committee in 2006 as the highest safety decision-making and supervisory body. Led by a Director of the Group, the Safety Committee is composed of senior management from multiple headquarters departments, including Human Resources Division, Financial Management Division and Audit & Supervision Division, who act as members to supervise safety production matters. The main duties of the Safety Committee are as follows:

- Supervise safety issues, formulate overall production safety plans and provide guidance to the Group on production safety;
- Review and determine the Group’s annual production safety targets, put forward suggestions on main production safety measures and solve major production safety problems; and
- Monitor the key progress of the Group’s production safety program and provide relevant recommendations.

The Group’s subsidiaries have also established corresponding safety management structures based on their business characteristics to ensure responsibilities are assigned to individuals. For instance, the General Manager of COSCO Kansai Companies acts as the primary person responsible for the company’s occupational health and safety management, with the Safety Management Department executing specific tasks. COSCO SHIPPING International Trading further optimised the composition of its Safety Committee this year, with the General Manager serving as the Director, the Deputy General Manager in charge of safety as the Deputy Director, and members expanded to include department heads and key personnel. Supervisory responsibilities were clearly extended to core areas such as occupational health management, occupational disease prevention, and employee safety training supervision, with the Safety Committee auditing and supervising safety and occupational health work. COSCO SHIPPING Smart-Sailing further perfected its safety responsibility system by establishing a Safety Committee and setting up three special working groups: “Thunder Action”, “Work Safety Month”, and “Typhoon and Flood Prevention”. It clarified safety management departments and part-time safety officers, directly linking safety assessment indicators with departmental performance via “Safety Production Responsibility Statements”, achieving tiered compaction of safety responsibilities.

Furthermore, the Group has established a robust safety incident reporting and investigation mechanism, strictly implementing an accountability system that defines specific responsibilities for each person in charge. Once a safety incident occurs, relevant personnel must immediately report it to the heads of their respective departments, notify the Safety Committee Office within 60 minutes, and submit a detailed and comprehensive incident report. Upon receiving notification, the Safety Committee Office conducts a meticulous and in-depth investigation of the incident, subsequently reporting the findings to the Group's Safety Committee. Concurrently, depending on the severity of the incident, the Group dispatches a specialised investigation team to conduct an internal investigation; if necessary, internal and external experts are invited to participate, deeply analysing the root causes of the incident and evaluating the losses. Leveraging their professional knowledge, experts assist in identifying responsible parties and propose highly valuable recommendations for risk reduction.

In terms of the accountability system, depending on the severity of the safety incident, involved employees may undergo warning interviews or admonishment talks. If an employee conceals, delays, or omits a report, or fails to prove immediate and sustained improvement efforts, the employee will face corresponding disciplinary action.

5.6.2 Safety Risk Identification

Adhering to the safety management guiding principle of "Safety First, Precaution as Crucial and Consolidated Governance", the Group implements full-process safety risk identification and control through institutionalised and standardised means. The Group headquarters completed the revision of the Regulations on the "生產安全事故隱患排查治理管理規定(並用) (Regulations on the Management of Potential Hazards in Production Safety Accidents (Combined Use))" in 2022 and formulated the "安全生產風險管理規定(並用)(Regulations on the Management of Production Safety Risks (Combined Use))" to ensure effective control of hidden safety dangers and implementation of risk controls. Before implementing the preventive measures listed in the Occupational Health and Safety Manual, the management team conducts a comprehensive inspection and assessment of potential OHS risks.

Since 2012, the Group has implemented the Safety Management Self-Assessment System (SMSA), which was formulated in accordance with the national safety technical standards for the coating industry, including "中華人民共和國安全生產法 (Law of the People's Republic of China on Work Safety)", "塗裝企業安全生產標準化實施指南 (Guidelines for Implementation of Production Safety Standardisation of Coating Enterprises)" and "塗料生產企業安全技術規範 (Safety Technical Specification of Coating Production Enterprises)" for evaluating the effectiveness of safety measures for companies engaging in the coating business. The SMSA monitors 10 crucial safety management dimensions, which mainly include governance structure, risks and environmental factor control, and uses the Likelihood Exposure Consequences method for inspection every six months. If any potential hazards are identified in the inspection, the relevant divisions should formulate corrective measures or remedial actions within the prescribed time limit. In terms of actual implementation, we organise the compliance evaluation team to review the compliance with laws and regulations, corporate commitments and contracts by comparing records, meetings and discussions according to the evaluation plan every year.

Among the Group's subsidiaries, the businesses of COSCO Kansai Companies and Jotun COSCO primarily involve manufacturing activities, which are highly susceptible to safety risks. Therefore, COSCO Kansai Companies conduct regular occupational health and safety risk identification. This year, the companies updated the "危險源辨識與風險評價控制程序 (Hazard Identification and Risk Assessment Control Procedures)", expanding the identification scope to all workplaces (including office areas and production sites) and all personnel (including internal employees and external workers), covering production operations, management activities, and technical service sites, aiming to identify and control OHS risks early on, thereby further mitigating risks.

Jotun COSCO conducts ongoing daily and periodic risk identification in accordance with the “風險分級管控程序 (Risk Classification and Control Procedure)” and the “職業健康危害因素矩陣 (Occupational Health Hazard Factor Matrix)”. These activities include: identification of occupational disease hazards at specific job positions; risk assessment for hazardous chemical operations; risk classification and control using the four-colour early warning system; and risk identification for special operations involving equipment, hot work, confined spaces, and working at height.

5.6.3 Safety Management Measures

The Group consistently prioritises the protection of employees’ lives, health, and safety as a critical foundation for sustainable corporate development. We are committed to protecting the safety and well-being of workers throughout the entire corporate operational process. We continuously evaluate our performance in occupational health and safety, regularly reviewing and updating internal OHS targets annually, evaluating internal OHS objectives, and making necessary adjustments as needed.



2025 Key Performance

COSCO Kansai Companies achieved its annual occupational health and safety targets: 0 serious injury or fatality incidents; general injury incidents ≤ 1 case/year; 0 fire (explosion) incidents; 0 occupational diseases; 100% pass rate for occupational hazard factor testing in the workplace; 100% pass rate for employee safety education and training; 100% certified rate for special operation personnel; 100% integrity rate of special equipment; 100% rectification rate for hidden dangers.

Jotun COSCO has achieved zero major casualty accidents, zero major fire incidents, and zero major equipment accidents. The workplace injury rate has remained below the threshold required by the Group, and full coverage of occupational disease hazard exposure control measures has been achieved within the year.

COSCO SHIPPING International Trading achieved its annual occupational health and safety targets: 0 occupational fatality incidents; 0 major fire/traffic/equipment incidents; 0% work-related injury rate; 0% occupational disease incidence rate; 100% completion rate for safety hazard rectifications.

Production Safety in Manufacturing Plants

As a responsible employer, we always treat employee safety as our top priority, striving to enhance employees’ profound understanding of the critical significance of safe operational procedures to build a solid employee safety defense line. For subsidiaries involved in manufacturing activities, the Group adopts stricter control measures, constructing a comprehensive safety production management system, dedicated to creating a safe, healthy, and harmonious work environment for plant employees. In 2025, the production facilities of COSCO Kansai Companies and Jotun COSCO continued to hold the ISO 45001 standard certification.



ISO 45001 Certificate of
COSCO Kansai Paint (Shanghai)



ISO 45001 Certificate
of Jotun COSCO Marine Coatings (Qingdao) Co., Ltd.

In daily operations, we require factories to formulate comprehensive control measures to monitor height-related engineering controls and personal protection. We consistently place production safety first, ensuring the safe production of the factory and the personal safety of employees through a series of initiatives. We have formulated the “職業健康及安全手冊 (Occupational Health and Safety Manual)” to avoid and manage preventable workplace accidents. Moreover, we have developed the “職業健康及安全風險控制指南 (Occupational Health and Safety Risk Control Guide)”, detailing how to protect employees from various hazards such as chemicals, dust, noise, high temperatures, unsanitary conditions, and manual lifting.

In 2025, COSCO Kansai Companies implemented special work permits, requiring operations to obtain a work ticket before proceeding, ensuring work is conducted under supervision. Additionally, the companies formulated a detailed annual training plan, organising safety production training and occupational health and hygiene thematic training, as well as conducting factory-wide emergency drills covering all employees to enhance safety awareness and operational skills. The companies also arranged occupational disease physicals and health check-ups for employees across regions, providing timely feedback and adjustments for abnormal results.

This year, COSCO SHIPPING International Trading implemented comprehensive safety management measures surrounding employee production safety across four major aspects: on-site control, equipment management, operational norms, and supervision & inspection:

- **On-site Control:** Implementing zoning management in production areas, installing clear safety warning signs; setting up guardrails and emergency aisles in high-risk operation areas, and equipping them with emergency rescue apparatus.
- **Equipment Management:** Establishing a full-lifecycle safety management system for equipment. All production equipment undergoes regular maintenance, servicing, and testing, with safety archives created to record testing and maintenance details in detail, ensuring safe equipment operation.
- **Operational Norms:** Clarifying approval procedures, operational standards, and safety protection requirements for special operations such as hot work, confined space operations, working at heights, and temporary electricity use. Operations are prohibited without approval.
- **Supervision & Inspection:** Maintaining regular supervision and inspections. The company's Safety Committee conducts a comprehensive inspection quarterly, while the safety management department conducts regular on-site patrols.

Case: COSCO Kansai Zhuhai Plant Held Fire Safety Training

On 23 June, to tangibly enhance employees' fire safety awareness and strengthen their ability to respond to fire emergencies, the COSCO Kansai Zhuhai Plant organised fire safety training. At the training site, colleagues from the safety department detailed the usage methods and applicable scenarios of dry powder and foam fire extinguishers to the employees, and provided standardised demonstrations, allowing employees to intuitively grasp the operating essentials. During the practical drill segment, employees took turns operating the dry powder and foam extinguishers, aiming at the simulated fire source to perform extinguishing operations. Through hands-on practice, employees deepened their understanding and mastery of fire equipment usage, strengthening their fire safety awareness.



Case: Group Management Conducted Safety Inspection at COSCO Kansai Zhuhai Plant

On 22 August, the Group's management personnel went to the COSCO Kansai Zhuhai Plant for a safety production inspection. They went deep into key safety production areas such as production workshops, tank farms, and warehouses, conducting a meticulous and in-depth understanding and inspection of production processes, equipment maintenance, safety risk control, frontline employee operational norms, and safety education and training. They listened to thematic reports regarding the company's basic situation, safety production management work, and the rollout of the "Safety Production Thunder Action", and proposed specific requirements for the factory's safety management work.



Occupational Health and Safety in the Workplace

While our Group's staff of non-production operations (including the ship trading agency services, the insurance brokerage services, and the supply of marine equipment and spare parts) face lower health and safety risks, the Group has always adhered to the core philosophy of "Safety First" and adopted a series of comprehensive and detailed safety initiatives, with the aim to further reduce occupational health and safety risks in the workplace.

In 2025, Yuantong conducted comprehensive special inspections and rectifications of potential safety hazards concerning aging facilities and equipment. In addition, management led regular monthly inspections of company vehicles and office fire facilities to ensure production and operational safety. COSCO SHIPPING Smart-Sailing deepened hazard inspection work this year, implementing a three-tier mechanism of "employee self-check+departmental patrols+company inspection." It conducted inspections targeting new office locations, special "Thunder Action" inspections, and seasonal inspections. Simultaneously, relying on digital platforms, an electronic hazard ledger was established, achieving full-process closed-loop management. The company also standardised the management of relevant parties, strictly enforcing admission audits for relevant parties, signing safety agreements, and conducting on-site supervision, resolutely eliminating the phenomenon of "substituting management with outsourcing".

Furthermore, the Group consistently provides employees with normalised, diversified, and comprehensive training and drills (such as fire emergency drills, solvent leak drills) to reduce work-related injuries and accidents and strengthen employee's safety awareness. Training topics cover fire safety, equipment usage, occupational hygiene, medical first aid, and on-site handling. Before new employees begin work, we also provide them with written materials outlining additional occupational health and safety matters requiring attention.

In 2025, COSCO SHIPPING Smart-Sailing carried out “Work Safety Month” and “Fire Safety Month” training, holding employee meetings in the first and second halves of the year to study safety management systems. The company strengthened tiered and classified training, organising knowledge competitions, practical training, and other activities. It optimised emergency management, clarified handling procedures, and implemented a “leadership shift+dedicated personnel on duty” system during holidays. COSCO SHIPPING International Trading conducted a total of 3 safety and fire emergency drills throughout the year, covering all employees and regions, and conducted post-drill reviews and summaries to optimise contingency plans. The company integrated occupational health and safety training as mandatory for all staff, launching 6 training programmes this year covering basic knowledge, system norms, special operation safety, fire equipment practical operation, and professional capability enhancement for management personnel. Yuanfeng carried out scheduled “Personal Operational and Warehouse Transport Equipment Safety Knowledge Training” and “Fire Safety Training” and organised drills, comprehensively elevating employees’ safety awareness and protective capabilities.

Case: Shenzhen COSCO Insurance Fire Control Promotion Month “Combines Learning and Practice” to Build a Solid Safety Defense Line

In November, Shenzhen COSCO Insurance organised thematic training and emergency drills, building a solid foundation for safe production by “combining learning and practice”. During the thematic training, instructors explained alarm norms, escape techniques, and other office fire safety skills, and analysed electrical violation hazards using warning videos. In the comprehensive fire emergency drill, the safety officer first demonstrated the method for wearing escape masks and detailed usage key points. Upon the alarm sounding, all personnel orderly evacuated along the designated routes to the refuge floor. Subsequently, the safety officer explained operating norms for equipment like fire extinguishers, and employees practiced the “pull, aim, squeeze, sweep” extinguishing essentials in groups, successfully putting out the simulated fire source. This series of activities strengthened employees’ safety concepts and enhanced emergency practical capabilities.



Case: COSCO Kansai Shanghai Held a Thematic Lecture on Emotional Management

On 24 June, the Labour Union of COSCO Kansai Shanghai organised a thematic lecture on emotional management. Under the theme of “Seeking Balance Between Career and Family”, a renowned psychological education expert was invited to give a lecture, with over 80 people participating. The expert profoundly yet simply guided everyone to correctly recognise the sources of various pressures and inspired the employees present to master the methods and techniques for correctly releasing pressure and effectively managing emotions, helping everyone successfully break free from workplace anxiety dilemmas to handle various challenges in work and life more calmly, promoting healthy and harmonious physical and mental development.



5.6.4 Hazardous Chemicals Management

Given that some of the Group’s businesses involve the production, storage, and use of hazardous chemicals, we classify this as a top priority in safety management. We implement full-process, refined control measures to ensure risks are controllable and under control. We strictly comply with the “危險化學品安全管理條例 (Regulations on the Safety Administration of Hazardous Chemicals)” and the “危險化學品從業單位安全標準化通用規範 (General Specification for Safety Production Standardisation of Hazardous Chemical Enterprises)”, and integrate them into the Group’s Safety Management Self-Assessment System (SMSA).

To reduce the risk of employees working in manufacturing plants being exposed to chemicals and hazardous substances, we adopt the “STOP” principle, which stands for “Substitution”, “Training and Precautionary Measures”, “Operations and Engineering Control”, and “Protection of Individuals”.

“STOP” Principle	
Substitution Substitute powder with alternative materials that encompass fewer hazardous compounds or present minimal physical contact risks, such as liquids or pastes.	Training and Precautionary Measures - Provide employees with training to enhance their awareness of the risks of using hazardous substances. - Perform regular assessments on the exposure level of chemical substances. - Offer risk-related health assessments to employees working in high-risk functions.
Operations and Engineering Control In accordance with the properties of the stored substance, adequate ventilation facilities and specified technical requirements are implemented in place.	Protection of Individuals - Provide Personal Protective Equipment (“PPE”) to employees with high-risk exposure. - Require employees to follow all PPE protection regulations and requirements at all times.

For hazardous chemicals prone to producing drugs or explosives, COSCO Kansai Companies have established specialised warehouses implementing “dual personnel, dual locks” management and maintain complete ledgers. All frontline personnel strictly wear anti-static clothing, gas masks, safety goggles, and other protective gear as required. In 2025, the companies implemented a safety production status evaluation for hazardous chemical control organisations, and the evaluation results met the requirements. Furthermore, the companies implemented engineering control measures such as storage zoning, enclosed transportation, and exhaust gas collection and treatment, and carried out specialised training covering safe operations, emergency handling, and risk identification for all positions.

To cope with the risk of hazardous chemical leaks, COSCO Kansai Companies formulated specialised plans such as the “危險化學品洩漏事故應急預案 (Emergency Plan for Hazardous Chemical Leak Incidents)”, clarifying the emergency organisational structure, emergency response processes, handling measures, and material guarantees, etc. for leak incidents. It stipulates that upon a leak incident, on-site personnel must report it immediately and take initial handling measures, while the emergency team must rush to the scene to handle the situation within 30 minutes upon receiving instructions, minimizing the environmental impact of the leak incident.

Jotun COSCO continues to enhance its hazardous chemicals management system by developing and implementing specialised documents such as the “化學品安全技術說明書 (Chemical Safety Technical Standard)”. At the same time, standardised operational guidelines are provided to employees to reduce exposure risks.

During the reporting period, Jotun COSCO implemented systematic management across the entire full life cycle of hazardous chemicals, including the following key measures:

- **Training and preventive measures:** All employees involved in chemical operations receive specialised training covering hazard identification, safe operating procedures, leak disposal, and emergency handling, etc. Outsourced teams and contractors are also included in the training scope to ensure consistent risk awareness.
- **Operational and engineering controls:** Hazardous chemicals at production sites are stored in strict accordance with classification management requirements. Critical areas are equipped with engineering control facilities such as leak containment bunds, local exhaust ventilation systems, and gas detectors. Chemical exhaust gas treatment facilities operate stably to ensure emissions comply with regulatory standards.
- **Personal Protective Equipment:** Dedicated PPE is provided according to the hazard classification of different chemicals, including solvent-resistant gloves, chemical protective suits, and respirators. Smart PPE dispensing cabinets have been installed to enable traceable issuance and real-time reminders.



6. BUSINESS DEVELOPMENT AND COOPERATION

The Group firmly believes that building close and mutually trusted cooperative relationships with business partners, and continuously providing excellent products and services, are the core engines driving sustainable economic growth. We are committed to building a responsible, ethical, and resilient supply chain system while placing customer satisfaction at the forefront of our operational strategy. The Group strictly adheres to various rules, regulations, and international standards, guiding our business conduct and daily operations to effectively mitigate potential risks and resolutely fulfill our commitment to business ethics. By implementing these measures, we not only ensure the integrity of corporate operations but also lay a solid foundation for the long-term sustainable development of our business.

6.1 Supply Chain Management

6.1.1 Supplier Admission

The Group views suppliers as vital strategic partners and is committed to building an eco-friendly and responsible supply chain system. Through standardised procurement processes and strict admission mechanisms, we integrate ESG factors into the full life cycle of supplier selection and evaluation, promoting sustainable development in the supply chain.

In accordance with the “採購管理辦法 (Procurement Management Measures)”, “供應商管理細則 (Supplier Management Rules)”, and relevant sustainable procurement policies such as the “招標採購管理辦法 (Tendering Procurement Management Measures)”, “非招標採購管理辦法 (Non-tendering Procurement Management Measures)”, and “特殊關聯企業管理辦法 (Special Affiliated Enterprises Management Measures)”, the Group’s subsidiaries implement standardised supplier admission mechanisms. During the selection process, we consider not only the supplier’s technical capabilities, product performance, and cost competitiveness but also their environmental protection, occupational health and safety (EHS) performance, and compliance records as core evaluation indicators. We require all suppliers to have an anti-corruption policy in place. Suppliers meeting specific standards are included in the Group’s procurement supplier database, enabling the procurement department to engage them.

During the admission review phase, COSCO Kansai Companies mandatorily require raw and auxiliary material suppliers to provide ISO 9001, ISO 14001, and ISO 45001 system certifications. In the comprehensive scoring system, these three certifications account for 10%, and only suppliers with a comprehensive score of 60 points or above can be included in the backup database. Furthermore, all suppliers are required to sign the “採購協議 (Procurement Agreement)” and “供應商行為準則聲明 (Supplier Code of Conduct Declaration)”, committing to fulfilling environmental and social responsibilities, controlling limits of hazardous substances, and ensuring labour and employment compliance.

COSCO SHIPPING Smart-Sailing built a hierarchical responsibility system that separates “decision-making, execution, and supervision”. In the basic conditions for supplier admission, “safety and environmental protection” is clearly integrated as a core indicator for the supplier’s annual evaluation, requiring suppliers to “bear product or service safety assurance responsibilities” and “have no record of legal violations in business activities”. In addition, regarding the establishment of supervision and accountability mechanisms, the company set up a procurement management group and the finance department for dual supervision, clearly stipulating accountability clauses for violations.

6.1.2 Supplier Monitoring and Communication

The Group has established a normalised supplier monitoring mechanism, conducting annual performance evaluations of suppliers through quantitative indicators covering areas such as basic qualifications, cost competitiveness, supply fulfilment, quality control, customer service, commercial innovation, and safety and environmental protection.

As part of the supplier monitoring process, we established a supplier grading table to assess and classify suppliers based on evaluation results, prioritising suppliers that excel in sustainable development. Based on the evaluation results, we provide preventive measures and improvement suggestions to suppliers and supervise their implementation to promote continuous improvement in product and service quality. If a supplier is found to have violated safety and environmental standards, engaged in bribery, or committed other improper business acts, they will face penalties, and the cooperative relationship will be terminated immediately. If the supplier takes appropriate measures to handle and resolve the issues, we evaluate the effectiveness of their measures and their willingness to resume cooperation.

COSCO Kansai Companies conduct annual evaluations of suppliers with active business. Suppliers with a comprehensive score below 60 points are placed on the unqualified supplier list, and their master data in the SAP System is frozen and marked as “disuse”; suppliers scoring ≥ 60 points are included in the qualified list.

COSCO SHIPPING Smart-Sailing constructed a full-process, closed-loop ESG assessment and regulatory system comprising “admission audit—annual inspection—daily supervision—rewards, punishments, and accountability”. It clarified the organisational structure, process standards, and division of responsibilities, directly linking audit results with supplier cooperation qualifications and priority levels. For suppliers that cause safety and environmental incidents or engage in commercial bribery, the annual evaluation score is zero, leading to elimination; for those involved in commercial fraud, major quality and safety hazards, or major legal and regulatory violations, they are blacklisted, and all commercial transactions are prohibited. Audit results serve as the core basis for determining 2025 supplier cooperation priorities and eliminations.

Furthermore, the Group values two-way communication with suppliers, establishing multi-level communication and coordination mechanisms to ensure efficient information transfer and timely issue resolution.

COSCO Kansai Companies clearly define the responsible persons for docking, establishing a multi-level communication mechanism covering daily coordination, operational-level communication, and high-level strategic dialogue. Communication methods are flexible and diverse, including emails, phone calls, WeChat, and irregular on-site visits, focusing heavily on delivery guarantees, quality control, cost optimisation, and technical synergy to fully ensure a stable and reliable supply chain.

COSCO SHIPPING Smart-Sailing’s supplier review group, led by the General Manager, formulates overall communication rules, while various business departments handle daily requirement docking and feedback. The company achieves transparent information sharing through written materials (such as admission application documents, audit forms, trial reports, annual evaluation forms, etc.) and the Group’s supplier management information system. The company conducts annual supplier evaluations or qualification inspections and initiates targeted communication immediately under special circumstances like admission audits and trial assessments.

6.1.3 Supply Chain Collaborative Development

We deeply understand that achieving sustainable industry development requires joint efforts from all parties in the industrial chain. The Group actively enhances supply chain management efficiency. Through negotiations, training, inspections, and thematic seminars, we continuously strengthen strategic links with suppliers, deepen cooperation levels, elevate the overall competitiveness of the supply chain, and assist industry progress. We also strive to explore broader and deeper collaborative models with excellent and industry-representative suppliers, joining hands with upstream and downstream partners to establish long-term, mutually beneficial, and co-growing cooperative relationships, jointly promoting industry prosperity and sustainable development. In addition, we integrate green and low-carbon principles throughout the entire supply chain, collaborate with industry partners to build a low-carbon logistics system, continuously enhance the resilience and sustainability of the global supply chain, and jointly promote the green transformation of the industry.

Case: The Group Participated in the Intermodal Asia Exhibition

On March 19, Intermodal Asia, the most influential frontier event in the global intermodal field, opened at the Shanghai World Expo Exhibition & Convention Center. The Group's subsidiary Shenzhen New Century, a leading container marking enterprise, COSCO Kansai Companies, a world-class professional leading demonstration enterprise, and Jiangmen Aluminium, a "Specialised, Refined, Unique and Innovative" enterprise of Guangdong Province joined forces to exhibit again, showcasing the enterprise's comprehensive strength and synergistic effects, and providing crucial opportunities for the company to expand business, enhance brand influence, and promote industry cooperation.



Case: COSCO Kansai Companies Joined the "Guohe No.1" Industrial Alliance

On November 17, COSCO Kansai Companies attended the signing conference of the "Guohe No.1" Industrial Alliance, signing the alliance co-construction agreement and the alliance's Party organisation joint-construction agreement. With the core goal of achieving 100% localisation of "Guohe No.1" nuclear power technology and equipment, the alliance breaks down technical and industry barriers by integrating upstream and downstream resources in the industrial chain. It builds an innovation system with deep integration of "Industry, Academia, Research, and Application", providing momentum for the large-scale promotion of third-generation nuclear power technology, assisting the high-quality development of China's nuclear power industry, and playing a key role in ensuring national energy security, implementing the "dual-carbon" goals, and executing the "going global" strategy for nuclear power.



Case: Jotun COSCO Marine Coatings Helping Shipowners Achieve Carbon Reduction

In 2025, Jotun COSCO successfully applied its Hull Skating Solutions (HSS) to its two 20,000 TEU container vessels of COSCO Shipping Lines, COSCO SHIPPING LIBRA and COSCO SHIPPING SCORPIO. Through the use of an onboard hull-cleaning robot, combined with big data technology and high-performance anti-fouling coatings, the solution helps shipowners reduce additional fuel consumption caused by hull performance degradation, thereby lowering associated carbon emissions.



According to independent verification by the third-party classification society, Jotun COSCO's marine coatings business achieved approximately 11.8 million tonnes of CO₂ emission reductions throughout the year. This is equivalent to the annual greenhouse gas emissions of around 2.5 million fuel-powered vehicles, representing a further improvement compared with the previous years.

The Group also actively participates in standard formulation, leading or participating in multiple national, industry, and group standards. In 2025, the standards that COSCO Kansai Companies participated in and were published included “船體防腐防污防銹漆體系 (Anti-fouling and Anti-corrosive Paint Systems on Ship Hulls)”, “溫室氣體排放核算與報告書第32部分：塗料生產企業 (Requirements of the Greenhouse Gas Emissions Accounting and Reporting — Part 32 : Coating Material Production Enterprise)”, and “塗料中有害物質限量第2部分：工業塗料 (Limit of Harmful Substances of Coatings — Part 2: Industrial Coatings)”. Additionally, the companies participated in formulating two industry standards, including “聚硅氧烷塗料 (Polysiloxane Coatings)”, and two group standards for offshore photovoltaic bracket coatings.

6.2 Product Quality and Responsibility

6.2.1 Ensuring Product Quality

As an industry leader, the Group consistently views product quality and safety as the company's lifeline. We pledge to provide consumers with high-quality, healthy, and safe products and services, ensuring products meet quality requirements by maintaining strict technical standards and monitoring mechanisms. The Group strictly complies with laws and regulations such as the “Product Quality Law of the People's Republic of China”, and specifically formulated an internal “健康、安全、環境及質量 (HSEQ) 政策 (Health, Safety, Environment, and Quality (HSEQ) Policy)” for chemical-producing subsidiaries as a guideline to ensure the safety and quality of products throughout the full life cycle, from raw material procurement and production to sales, marketing, recalls, returns, and replacements.

To maintain the quality of coating products, we implement stringent control measures. We conduct comprehensive testing and inspections on semi-finished and finished products, upholding quality control standards. Non-conforming products are isolated and handled according to procedural document requirements to ensure products meet quality standards. During the application, coating quality is tested according to the application workflow to ensure product quality meets all application requirements.

COSCO Kansai (Zhuhai), COSCO SHIPPING International Trading and Jotun COSCO have passed ISO 9001 system certification. In addition, the Jotun COSCO Qingdao plant was awarded the “Level II Enterprise for Work Safety Standardization” certification.



ISO 9001 Certificate
of Jotun COSCO Marine Coatings (Qingdao) Co., Ltd



ISO 9001 Certificate
of COSCO Kansai (Zhuhai)



2025 Key Performance

COSCO Kansai Companies achieved a 100% ex-factory pass rate for products. There were zero customer complaints related to product quality and zero product recall incidents.

COSCO SHIPPING International Trading achieved a 100% contract fulfillment rate, customer satisfaction rate exceeding 95%, and 100% customer complaint resolution rate. No product recall incidents occurred.

Jotun COSCO achieved an annual on-time delivery rate of 99.10%; the number of fire/explosion incidents, lost-time injuries, leak incidents exceeding 50kg, and compliance violations all remained zero.

COSCO Kansai Companies established an effective quality management structure and formulated the “不合格品控制程序 (Non-conforming Product Control Procedure)”. The Deputy General Manager in charge of technology organises relevant departments to investigate, analyse, and handle quality complaints and non-conforming products, proposing to the General Manager to organise investigations when necessary. The companies established an effective quality tracking system covering the full life cycle traceability mechanism from product design to after-sales service. It possesses a complete product data collection chain to ensure quality issues can be managed in a closed loop for continuous improvement. The companies conduct comprehensive testing and inspection of semi-finished and finished products. Non-conforming products are strictly isolated and handled according to procedural document requirements, absolutely prohibited from entering the market. During the application, coating quality is tested strictly according to application workflows.

COSCO SHIPPING Smart-Sailing utilises digital and intelligent technological innovation as the core lever for product safety assurance, forming product safety assurance management experience featuring technological empowerment, full-process control, and ecological synergy. The company deeply integrates cutting-edge technologies like AI, blockchain, and big data to build a shipping data mid-end platform, pooling dynamic data across the full life cycle of vessels. This achieves precise identification, comprehensive monitoring, and early warning for vessel navigation and equipment maintenance and other aspects, driving the shift in product safety assurance from experience-led to data-driven. The company also constructed a digitalised and standardised management system covering core businesses like spare parts and fuel. Through IoT and blockchain technologies, it realises full-process operational record retention, visual monitoring, and distributed storage verification of data, guaranteeing that key data is authentic and reliable.

Case: COSCO Kansai Companies Carried Out “Quality Month” Activities

COSCO Kansai Companies concurrently launched “Quality Month” activities themed “Meticulously Check Hidden Dangers to Prevent Risks, Strive for Excellence to Forge Quality” at its Jinshan and Zhuhai plants. The activity formed a cross-departmental instructor team to go deep into key processes. Through defect physical teaching and on-site assessments, it achieved 100% training coverage. The Jinshan Plant trained 229 participants, while the Zhuhai Plant completed 21 targeted retraining sessions and tracked operational norms in real-time to ensure effectiveness. Meanwhile, the activity mobilised all employees to act as “quality detectives” conducting carpet-style inspections, establishing a “daily patrol, weekly review, monthly evaluation” mechanism. Immediate rewards were given to those who identify major hidden dangers, and excellent cases were included in new employee training materials, constructing a “training-inspection-improvement-incentive” closed loop, with relevant indicators integrated into annual KPIs. The Quality Month yielded significant results: both factories rectified 54 high-risk points and hidden dangers, the average score of employee quality knowledge tests jumped from 78 to 93, proactive reports of hidden dangers quadrupled, and a corporate culture of “Everyone Checks for Hidden Dangers, Everyone Values Quality” was successfully fostered.



6.2.2 Chemical Safety

The Group attaches great importance to chemical safety management, adhering to the principle of “source prevention, full-process control,” integrating chemical safety management into the product full life cycle. We strictly comply with domestic and international laws and regulations to ensure coating products meet the highest global environmental and quality norms. For key raw materials, we implement precise hierarchical management strategies and innovatively incorporate Life Cycle Assessments (LCA) into new product design to quantitatively evaluate the impact of chemicals on the environment and health.

COSCO Kansai Companies strictly follow the “Performance Standard for Protective Coatings” (PSPC), the “International Convention on the Control of Harmful Anti-fouling Systems on Ships” (AFS Convention), and the “International Convention for the Prevention of Pollution from Ships” (MARPOL Convention) established by the International Maritime Organisation (IMO), ensuring coating products meet the highest environmental and quality standards. Since the implementation of GB 30981 Limit of Harmful Substances of Industrial Protective Coatings in 2020, it has consistently remained a primary focus. We organise seminars to convey restriction requirements to R&D teams and strictly review product formulas. For irreplaceable main chemical raw materials, COSCO Kansai Companies implement hierarchical management.

COSCO Kansai Companies provide complete Safety Data Sheets (SDS) for chemicals to the public and places conspicuous safety signs and SDS QR codes on packaging surfaces. Employees and related parties can scan the codes to view chemical composition and relevant information. The companies also commissioned the National Registration Center of Chemicals to provide a 24-hour emergency advisory service, ensuring professional guidance is available in emergencies. In addition, the companies incorporated new LCA measuring the environmental or health features of new products into the product design phase.

Jotun COSCO has developed and implemented specialized documents, including “化學品安全技術說明書 (Chemical Safety Technical Standard)”, which clearly specify the hazards, potential health risks, and environmental impacts of chemicals, covering both proprietary and non-proprietary products, and are accessible through digital platforms. Jotun COSCO has also established a management mechanism for hazardous and restricted chemical lists. In accordance with national laws and regulations, substances that are prohibited, restricted, or subject to key control are identified, and strict access control is implemented in internal procurement and production processes to ensure that all substances involved are properly registered and filed.

Jotun COSCO actively benchmarks against domestic and international management requirements for Substances of Very High Concern (SVHC) and proactively promotes the research and adoption of alternative raw materials. The company prioritises the use of substitutes that are lower in toxicity, lower in volatility, and more human-health friendly and environmentally. Jotun COSCO actively evaluates substitution solutions for high-risk chemicals and is gradually reducing the use of VOCs such as xylene and ethylbenzene. The company is committed to reducing the impacts of chemicals on human health and the environment and is progressively incorporating LCA into its product development processes to evaluate the comprehensive risks associated with raw material selection, manufacturing processes, use phases, and end-of-life disposal. This commitment applies to all new products and major process change projects.

Case: COSCO Kansai's “One Enterprise, One Product, One Code” Strengthens Full-Chain Chemical Management

COSCO Kansai Companies independently developed a data automatic collection and reporting system, successfully implementing the “One Enterprise, One Product, One Code” data collection project. This strengthens risk control over the chemical lifecycle, empowering chemical safety management through technology. The project utilises cutting-edge technologies like Spring Boot and RabbitMQ to achieve business decoupling and automated data synchronisation. It seamlessly integrates with the Warehouse Management System (WMS), building an integrated warehousing and logistics supply chain platform, thereby solidifying the transparency and safety foundation of hazardous chemical management through technological innovation.



In addition, in accordance with regulatory requirements and customer needs, Jotun COSCO provides Safety Data Sheets (SDS) and related documentation to specific customers and regulatory authorities. These documents disclose chemical compositions, hazards, and whether substances of concern are present. Through a graded disclosure mechanism, the company balances commercial confidentiality with compliant disclosure. The company has established comprehensive consultation channels for customers and the public regarding chemicals, including customer service hotlines, customer service email, product information inquiry pages on the corporate website, and dedicated customer technical support teams, ensuring that customers can promptly obtain information related to chemical composition, safe use, and regulatory compliance.

6.3 Customer Service

6.3.1 Customer Satisfaction

The Group adheres to the “customer-centric” service philosophy, viewing customer feedback as a vital driving force for continuous business improvement. We highly value every aspect of the customer experience, dedicated to establishing long-term, stable cooperative relationships with customers by establishing robust customer satisfaction survey mechanisms, efficient complaint-handling processes, and strict privacy protection measures.

During the reporting period, the Group had no unresolved service-related complaints.



2025 Key Performance

COSCO Kansai Companies recorded zero customer complaints regarding industrial anti-corrosive coatings.

Yuantong's complaint handling rate and closure rate both reached 100%.

We are committed to establishing close relationships with customers and deeply understanding their needs, thereby providing products and services that garner positive feedback. Through various formats such as questionnaires, high-frequency customer visits, and technical exchanges, the Group's subsidiaries closely monitor and evaluate customer feedback regarding sales services, delivery processes, order procedures, invoicing, and overall contact experience to continuously improve service quality and customer satisfaction.

COSCO Kansai Companies formulated the “客戶反饋管理程序 (Customer Feedback Management Procedure)”, clearly stipulating the causes and scope of customer complaints, departmental responsibilities, handling principles, and procedures. The companies established a clear customer complaint handling process, creating a cross-departmental collaborative handling mechanism covering sales, marketing, quality control, and technical services. For product quality and non-product quality issues, the companies defined classified handling processes and timelines. By verifying causes, assigning responsibilities, formulating corrective and preventive measures, and reporting to management — while communicating with customers to seek understanding when necessary — we ensure complaints are properly resolved and results fed back to relevant departments, continuously improving customer satisfaction and product competitiveness. Furthermore, the companies include customer complaints in the performance assessments of responsible departments. If responsible persons cause customer complaints due to misconduct, resulting in damage to company interests, or conceal information, they will be penalised according to relevant regulations based on the severity.

Based on its quality system, COSCO SHIPPING International Trading formulated the “客戶服務管理程序 (Customer Service Management Procedure)”, clarifying customer classification, dynamic customer file management procedures, and customer communication channels. The procedure details the business customer relationship maintenance process, customer complaint handling process, and customer service quality evaluation process.

Yuantong established standardised complaint classification and handling processes. Upon receiving a complaint, it is immediately classified and labeled, handled specifically by the corresponding functional colleagues, and marked as “resolved” in the system, ensuring all complaints receive responses and are handled in a closed loop.

COSCO SHIPPING Smart-Sailing established customer online management groups, exclusive management mechanisms, and regular communication mechanisms with key clients to collect product usage feedback in real time, providing a basis for product optimisation and upgrades. The company offers 7×24 hours service response, ensuring users can contact project members immediately via email, phone, WeChat, and other channels, and technical personnel will be dispatched to the site to resolve issues when necessary. After sales, the company provides technical Q&A and advisory services, as well as on-site and remote training guidance. Furthermore, the company conducts regular user follow-ups, tracks system usage, listens to opinions and suggestions, and timely analyses and resolves issues.

6.3.2 Customer Privacy Protection

The Group places high importance on customer privacy protection in all business operations, strictly abiding by relevant local, international, and national laws and regulations, including the “Cybersecurity Law of the People’s Republic of China”, “Data Security Law of the People’s Republic of China”, “Personal Information Protection Law of the People’s Republic of China”, “Personal Data (Privacy) Ordinance” of Hong Kong, EU General Data Protection Regulation (GDPR) and Binding Corporate Rules (BCR), and the employee privacy protection requirements stipulated by laws in operational locations. We implemented various internal procedures strictly per international and domestic legal requirements to ensure data confidentiality and avoid leaking sensitive information of stakeholders. Our information dissemination strategy, known as the “信息管理辦法 (Information Management Method)”, emphasises four core values: “truthfulness, accuracy, completeness and timeliness”.

During the reporting period, the Group experienced no complaints or incidents regarding violations of consumer privacy or loss of customer data.

COSCO Kansai Companies formulated the “網絡與信息安全事件應急處置管理細則 (Detailed Rules for the Emergency Response Management of Cybersecurity and Information Security Incidents)”, clarifying information security incident grading, emergency reporting procedures, handling methods, and time limit requirements. In 2025, to strengthen data security and privacy protection, the companies completed remote disaster recovery deployment for its core ERP system and organised emergency drills according to plan, elevating the team’s emergency response capabilities and effectively guaranteeing core business data safety and business continuity. For monitoring, the companies ensure the effectiveness of relevant measures and the conformity of contingency plans through emergency drill record reviews, disaster recovery system restoration testing, and post-drill evaluation reviews. Moreover, the companies conduct normalised email reminder education, sending safety awareness emails to all employees. Combining actual cases with operational guidelines, it conducts periodic safety reminders and knowledge popularisation. The companies monitor promotional effectiveness by tracking email read rates and plans to conduct activities like simulated phishing tests to further verify and enhance employees’ practical defense capabilities.

During the reporting period, Jotun COSCO further strengthened and enhanced its existing data security mechanisms by updating and supplementing internal management policies, including the “Management System for Data Security and Privacy Protection”, the “Measures for the Administration of Information Security Incidents”, and the “Measures for the Protection of Trade Secrets”. The company advanced its data security and privacy protection initiatives across four key areas: institutional improvement, technological enhancement, risk control, and awareness raising:

- **Improving the data security system:** Update management systems on data classification and grading, account permission management, and sensitive data handling, while promoting effective implementation across business units.
- **Strengthening system security protection:** Upgrade endpoint protection, email security gateways, and anti-ransomware mechanisms, and fully deploy multi-factor authentication (MFA) to enhance account and system access security level.
- **Enhancing data backup and recovery capabilities:** Optimise backup strategies for critical systems such as ERP, Finance, MES, and OA, and regularly conduct data recovery drills to ensure business continuity.
- **Strict customer data protection measures:** Apply the principle of least privilege to manage customer information, prohibit the transmission of sensitive data through non-encrypted channels, and ensure that all access activities are auditable and traceable.
- **Conducting annual information security inspections:** Perform cybersecurity inspections across factories, subsidiaries, and warehousing bases to identify risks such as weak passwords, unauthorized devices, and abnormal network traffic, and implement corrective actions accordingly.

Environmental, Social and Governance Report

COSCO SHIPPING International Trading has formulated the “網絡及信息安全管理制度 (Network and Information Security Management System)” to strengthen network and information management, clarify personnel responsibilities, and establish data security management requirements. The company strictly controls data backup, recovery, transfer-in, and transfer-out permissions, isolates and saves documents above the confidential level, and regularly patrols firewall equipment to handle security risks. Additionally, the company formulated an information security emergency plan, specifying requirements such as importance grading for information security incidents, emergency reporting procedures, handling methods, and time limit, and conducted emergency drills. Relevant drill records were uploaded to the Group’s network security platform.

In 2025, centering on “Digitalisation, Intellectualisation, and Marketisation”, COSCO SHIPPING Smart-Sailing compiled the “船舶備件信息標準化全生命周期管理實施方案 (Implementation Plan for Standardised Full Life Cycle Management of Vessel Spare Parts Information)”. While advancing business transformation, it integrated data security and customer privacy protection throughout the entire processes of product R&D, system integration, and business operations. By promoting spare parts coding standardisation and developing compliance risk intelligent early warning functions, it strengthened data control from the source. It adopted standardised interfaces and permission grading mechanisms during system integration to prevent data leakage and tampering risks. It implemented tiered and classified control over sensitive data, strictly limiting access scopes. The company also improved its internal and external training system, conducting 23 digital internal training sessions during the reporting period to prevent operational risks at the personnel level. In applying technologies like Big Data and AI, it embedded security protection modules to elevate data security protection levels in intelligent scenarios.

Case: The Group Hosted “Digital Literacy Skills Enhancement and Cybersecurity Training”

On July 29 and 30, the Group hosted the “Digital Literacy Skills Enhancement and Cybersecurity Training”, aiming to strengthen cybersecurity defense capabilities and elevating digital literacy and skills, with over 1,100 people participating. The training, conducted via a combination of on-site and video conferencing, covered basic security knowledge, such as internet and network architecture and operational principles, common cybersecurity threats and attacks, cybersecurity controls and countermeasures, password security, account security, Multi-Factor Authentication (MFA), and case sharing. This enhanced all employees’ understanding of digital technology applications and usage skills, as well as their preventive awareness of cybersecurity.



6.4 Technological Innovation

The Group views technological innovation as a vital driving force for the Group's development, continuously promoting business models and technology-empowered innovation. We actively respond to the idea of the "Guiding Opinions on Regulating the Procurement Management of Central Enterprises" promulgated by the State-owned Assets Supervision and Administration Commission and the National Development and Reform Commission of the State Council, continuously deepening product R&D and innovation, dedicated to achieving comprehensive digitalisation and intellectualisation empowerment.

Sustained R&D investment is the living water of technological innovation. In 2025, the Group further improved the R&D investment growth mechanism, ensuring that R&D funding intensity remains at industry-leading levels. Furthermore, we positioned clean technology as the key direction for the company's future technological development, accelerating the strategic layout of green products and services. By deepening the integration of technological innovation and industry, we are committed to building a sustainable ecosystem to lead the industry's transition towards low-carbon and environmental protection, achieving a win-win for economic benefits and social value.



2025 Key Performance

COSCO Kansai Companies were recognised as a High-Tech Enterprise, a Specialised and Sophisticated SME and an innovative SME in Shanghai, and an Enterprise Technology Center in Jinshan District, cumulatively receiving RMB450,000 in government rewards.

COSCO SHIPPING Smart-Sailing was successfully selected as an "Innovative SME" in Shanghai, relying on its outstanding performance in shipping digitalisation and green transition.

As a major supplier in the container coatings industry, COSCO Kansai Companies have always focused on the R&D and production of green and eco-friendly container coating products. The company formulated and implemented the "技术中心科研项目管理制度 (Technology Center Scientific Research Project Management System)", building a standardised and process-oriented scientific research management system. Simultaneously, it comprehensively promoted the "Open Competition" mechanism. Focusing on key technical challenges, it established 4 annual key scientific research projects, all of which have completed design and passed review, and are now entering full implementation.

Addressing the pain point that traditional solvent-based coatings release large amounts of VOCs during production and construction, COSCO Kansai Companies concentrated their R&D resources and successfully developed a series of waterborne industrial anti-corrosive coatings. This product series uses advanced waterborne resin technology, drastically reducing VOCs emissions, while achieving or even surpassing the performance of traditional solvent-based products in terms of anti-corrosion performance, adhesion, and weather resistance. In addition, the companies developed high-solid epoxy coatings to reduce solvent use.

In 2025, COSCO Kansai Companies achieved breakthroughs in multiple fields. The graphene waterborne zinc-rich paint developed by the companies possesses both high performance and eco-friendly attributes. As the industry's first graphene anti-corrosion ancillary system to achieve batch application, it has been used by multiple customers, cumulatively exceeding 15,000 TEU. Waterborne anti-corrosive coatings for nuclear power plant secured market orders for the first time, breaking the monopoly of foreign companies; powder coatings continuously expanded their applications in areas such as steel structures and bridges.

Case: COSCO Kansai Companies' First Batch of Graphene Zinc-Rich Containers Leads Innovation in Anti-Corrosion Technology for Containers

In 2025, COSCO Kansai Companies successfully completed the spraying of 700 TEU graphene containers at the Shanghai Universal Lianyungang Container Factory, marking a qualitative leap of the companies' achievement transformation in graphene material application, providing an innovative solution for container corrosion protection technology. This technology utilises graphene to enhance the electrochemical anti-corrosion performance of zinc-rich paint, significantly strengthening its cathodic protection effect on metal substrates. It demonstrates remarkable effectiveness in extending the anti-corrosion duration of composite coatings and suppressing the corrosion spread speed at damaged areas, enabling the transition the industry towards high efficiency, environmental protection, and green development.



Furthermore, COSCO Kansai Companies actively embraced the wave of digitalisation and intelligence development. During the development of the waterborne reefer epoxy intermediate coat, it utilised digital analysis tools to quickly identify shortcomings in performance, achieving formula optimisation and mass application. It also advanced laboratory data management and formula system informatisation, enhancing R&D efficiency and traceability.

Case: COSCO Kansai Companies Launched Digital and Intelligent Manufacturing Execution System (MES)

The Jinshan Plant of COSCO Kansai Companies officially launched the Digital and Intelligent Manufacturing Execution System (MES) project. Focusing on 8 core business areas including production management, quality control, equipment management, energy management, and data analysis, the project aims to enhance production transparency and controllability through intensive application, marking a stride for a milestone in the companies' digital transformation.



6.5 Intellectual Property Protection

Intellectual property (“IP”) is an important manifestation of corporate core competitiveness and the foundation for legal institutions motivating innovation and safeguarding the commercial conversion of technological achievement. The Group strictly abides by the “Trademark Law of the People’s Republic of China”, the “Patent Law of the People’s Republic of China”, the “Trade Marks Ordinance” of Hong Kong, and the laws and regulations of the locations where it operates. The Group has comprehensively optimised the intellectual property management system, elevating the standards of IP creation, utilisation, protection, management, and service.

To protect the legitimate rights and interests of inventors and motivate innovative enthusiasm among all staff, COSCO Kansai Companies have established a patent application and reward mechanism, providing cash rewards for authorised patents, and integrated IP into the full-process management of scientific research projects, thereby strengthening technological confidentiality and ownership of results.

Jotun COSCO continues to strengthen intellectual property protection by establishing an integrated five-pillar mechanism covering monitoring, evidence collection, rights protection, management on authorisation, and standardised distributor governance, thereby actively safeguarding its brand rights. Through online and offline inspections, distributor self-inspection mechanisms, and cooperation with professional law firms, it has carried out evidence preservation, and administrative or judicial enforcement actions. At the same time, it enhanced internal authorization procedures within the Group to ensure legal compliance and comprehensive coverage of enforcement activities. Furthermore, Jotun COSCO strengthened intellectual property compliance requirements for channel partners by improving distributor promotional guidelines and domain name management systems, preventing infringement risks at the source. This integrated framework enables the timely identification, accurate assessment, and effective resolution of infringement cases, thereby safeguarding its brand assets and maintaining an orderly market.



2025 Key Performance

COSCO Kansai Companies were granted 2 invention patents and 3 utility model patents.

COSCO SHIPPING Smart-Sailing was granted 1 formal invention patent and 8 additional software copyrights covering core business scenarios.

Case: COSCO Kansai Companies Held a Special Patent Training Session

COSCO Kansai Companies held the “2025 Special Patent Training Session,” aiming to improve researchers’ capabilities in invention patent application and drafting, and to strengthen the IP protection system. Senior patent attorneys were invited to give lectures, and nearly 20 R&D engineers participated and exchanged on-site. The training covered application processes, drafting skills, examination key points, and protection strategies for invention and utility model patents. It also interpreted the latest provincial and municipal subsidy policies, prioritised examinations, patent pledge financing, and other enterprise-favoring measures, helping the enterprise maximise the utilisation of policy resources. Through case analysis and on-site discussion, the team engaged in in-depth exchanges on difficulties such as identifying innovative elements, ensuring precise wordings, and key plagiarism checks, thereby enhancing the IP awareness of all staff.



7. COMMUNITY INVESTMENT

The Group remains unwavering in its commitment to promoting the prosperity and progress of the communities where it operates. In 2014, we formulated the “Donation Policy”, clarifying cooperation strategies with local NGOs and charitable organisations, as well as the methods for managing charitable work. The policy also details the annual charitable donation budget and the exact criteria for determining the amounts and methods of community investments or donations to respond to the rights and local needs of various communities. In 2025, adhering to the spirit of “Rooted in Hong Kong, Serving Hong Kong”, the Group comprehensively deepened its public welfare practices, conveying messages of care through diversified activities, and fueling momentum into the sustainable development of society.

We established a dedicated volunteer team to channel the enthusiasm and efforts of employees into actively giving back to society. To commend and encourage employees who dedicate themselves to public welfare in the long-term, we provide a half-day of paid leave to employees who contribute between 2 and 4 hours on volunteer event days, while those who participate for 4 and more hours of volunteer activities receive one full day of paid leave.

With the team slogan “Dedicated Service, Benefiting the Community”, the Group integrates its commitment to the community into every volunteer project. We regularly review community investment plans to optimise the allocation of time and resources. In 2025, our community contributions primarily focused on five major areas, namely charitable donations, environmental public welfare, education, assistance to underprivileged groups, and community support.

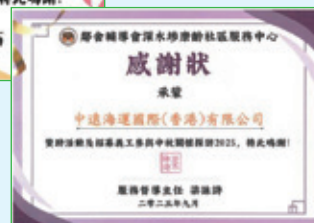


2025 Key Performance

The Company received letters of appreciation from Sowers Action for home visits, children’s countryside activities, and home visits to impoverished families.



The Company received 3 letters of appreciation for elderly visits and a letter of appreciation for elderly outdoor activities from the Neighbourhood Advice-Action Council.



The Company became a Gold Member of the World Wide Fund for Nature (“WWF”).

7.1 Charitable Donations

The table below lists the specific organisations to which the Group made direct donations to benefit the community during the reporting period:

Charitable Organisation	Donation Amount (HK\$)
WWF	100,000
The Neighbourhood Advice-Action Council	23,000
Hong Kong Committee for UNICEF ("UNICEF")	50,000
Sowers Action	211,600
Total Donations	384,600

7.2 Environmental Public Welfare

As a shipping service provider, the Group fully recognises that its primary environmental responsibility begins with the ocean and extends beyond it. We are aware of the growing social concern regarding environmental issues such as marine pollution, hence we are dedicated to reducing the negative impacts of human activities on the environment.

The Group continues to support the work of WWF. During the reporting period, we donated HK\$100,000. As a Gold Member, we continuously collaborate with WWF under the corporate membership scheme to support its environmental conservation projects such as Mai Po and wetlands, marine, wildlife, local biodiversity, sustainable finance, and public engagement and education, thereby supporting Hong Kong in becoming a more sustainable city. Besides donations, we also host exchange activities to promote the importance of environmental protection and conservation. In 2025, the COSCO Kansai (Zhuhai) base participated in a surrounding public welfare environmental trash clean-up activity organised by the Chemical Association, taking practical actions to safeguard the surrounding ecological environment while actively promoting green, low-carbon, and energy-saving concepts.

Case: COSCO Kansai Companies' Zhuhai Plant Conducted Voluntary Tree Planting

On April 22, the COSCO Kansai Companies' Zhuhai Plant organised the "Jointly Building a Green Home, Supporting the Garden Factory" voluntary tree planting activity. With strong support from the Agricultural Office of the Zhuhai Economic and Technological Development Zone, the factory received 40 Lingnan characteristic fruit tree saplings, including pomegranate, longan, jaboticaba, and lychee. This further beautified the plant area environment, added a vibrant green landscape, laying a solid foundation for advancing environmental upgrade and creating a garden styled factory. This government-enterprise joint tree planting not only served as a practical measure for the local government to support corporate ecological development, but also demonstrated a shared commitment to building a "Green and Beautiful Zhuhai".



7.3 Education

Youth are the backbone of society's future. We firmly believe that equal educational opportunities are a basic right for everyone. The Group actively fulfills its social responsibilities, continuously putting in resources for youth education and development, providing children with more financial and mental support, and enabling the younger generation to grow healthy and set sail for their dreams. For instance, Jotun COSCO has long funded the Yunnan Spring Bud Class.

Case: Jotun COSCO Attended the Opening Ceremony of the "Spring Bud Class"

From 13 to 15 October, Jotun COSCO team visited Jindun Junior High School in Heqing County, Yunnan Province, attended the opening ceremony of the new-grade Jotun COSCO "Spring Bud Class", and paid home visits to the students of the "Spring Bud Class".



7.4 Assistance to the Elderly, Underprivileged Children, and Grassroots Families

We respect the uniqueness of every individual and acknowledge that the challenges people face in daily life differ. We actively cooperate with local NGOs, and effectively mobilise resources to tangibly respond to the needs of different community groups. By organizing various volunteer services, we convey the message of caring for society and serving the community, promoting social integration and community inclusion.

During the reporting period, we partnered with the Neighbourhood Advice-Action Council to organise a series of community activities:

Caring for the Elderly

Case: The Company Rolled Out the "Passing on Deep Love Mid-Autumn Visit" Activity

On 13 September, 83 volunteers from the Company participated in the "Passing on Deep Love Mid-Autumn Visit" activity organised by the charitable organisation, Neighbourhood Advice-Action Council. They successfully visited 69 elderly people living alone or double-aging elders residing in Chak On Estate, Shek Kip Mei, Sham Shui Po, delivering holiday blessings, warmth and companionship. During the visits, volunteers presented the elderly with mooncake lucky bags symbolising reunion and patiently listened to their daily lives. After the visits, volunteers promptly fed back the collected needs of the elderly to social workers for follow-up, ensuring that compassion was not merely a "one-time visit" but to be extended effectively in the long run.



Case: Yuantong Organised Volunteers to Visit the Elderly During the Dragon Boat Festival

During the Dragon Boat Festival, Yuantong organised volunteer activities to visit the elderly, presenting them with zongzi (glutinous rice dumplings) and daily necessities. Volunteers engaged in cordial conversation with the elderly, listening to their concerns, and allowing the elderly to genuinely feel the care of society and warmth of the holiday season. Through face-to-face companionship and communication, the volunteers gained a deep appreciation for the significance of care and companionship to the elderly, further promoting the traditional Chinese virtues and fine customs of respecting and caring for the elderly.



Caring for Vulnerable Groups

Case: Jotun COSCO Carried Out Mid-Autumn Festival Thematic Condolence Activities

Ahead of the Mid-Autumn Festival, Jotun COSCO visited the RUCHANG Qingdao Empowerment Centre Base to carry out the “Full Moon Deep Love, Reunited for Charity — Jotun COSCO Mid-Autumn Heartwarming Public Welfare Journey” themed condolence activity, delivering care and warmth in holiday season to persons with disabilities. The condolence team learned in detail about the work and living conditions of the disabled and presented them with carefully prepared condolence gifts, conveying corporate care through actions. A solemn and warm “Starry Wall” unveiling ceremony was held at the event site, symbolising the generosity of the company as tiny lights to illuminate the employment path of the disabled. Representatives of the disabled presented paper-cutting artworks themed with the company’s LOGO mascot in return to express their gratitude.



Assisting Underprivileged Children and Grassroots Families

We have always spared no effort in social public welfare activities. Since 2008, we have sponsored the “Sowers Action Challenging 12 Hours” fundraising event for 17 consecutive years, raising over HK\$ 3 million in donations, benefiting nearly 4,200 students with financial difficulties and underprivileged groups in Hong Kong, Mainland China, and other regions.

Environmental, Social and Governance Report

In 2025, we also donated HK\$50,000 to UNICEF to support children's rights and well-being. The donation aims to assist UNICEF in ensuring children have access to safe drinking water, benefit from high-quality education, are free from exploitation, violence and preventable diseases. As children are the cornerstone of society, every child should receive equal care and opportunities. Looking ahead, we will continue to make more contributions to the protection of underprivileged children.

Case: The Company Organised the “Sowers Action” Home Visit to Extremely impoverished Families in Sham Shui Po

In September, approaching the Mid-Autumn Festival, 23 volunteers from the Company participated in the “Sowers Action” home visit to extremely impoverished families in Sham Shui Po. The activity involved home visits to 20 extremely impoverished families. Volunteers communicated cordially with the visited families, listened to their concerns, understood their practical difficulties, shared life stories together, discussed their children's studies, and presented carefully prepared care packages. The home visit activity not only brought warmth and care to grassroots families, but also provided employees with valuable opportunities to gain better understanding of social diversity, deepening everyone's appreciation of social responsibilities.



Case: The Company Participated in the “Sowers Action Challenging 12 Hours” Charity Trail Marathon

In November, the Company dispatched a team of 125 people comprising employees, families, and guests to participate in the “Sowers Action Challenging 12 Hours” Charity Trail Marathon, raising HK\$81,600 for local grassroots family services and other subsidised projects. On the day of the event, the Company's participating teams experienced the hardship of students in mountainous areas trekking long distances to school through walking. While enjoying the scenic beauty of Hong Kong's mountain trails, they raised funds for Sowers Action's student assistance projects.



8. ROBUST GOVERNANCE

The Group firmly believes that with sound corporate governance, it can establish an orderly, efficient, and transparent operational mechanism that delivers overall benefits to the enterprise and enhances the foundation for sustainable development. The Group continuously refines its corporate governance system with well-defined rights and responsibilities, driving governance standards to new heights. The Group adheres to its commitment to business ethics, continuously enhancing accountability and transparency, and creating long-term and sustainable development value for stakeholders such as shareholders, customers, employees, and society.

8.1 Corporate Governance

The Group has adopted a customised Corporate Governance Code, which, in addition to applying the principles set out in the Corporate Governance Code (the “Stock Exchange Code”) contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange, also incorporates and complies with local and international best practices. The Corporate Governance Code outlines the corporate governance principles applied by the Group and its subsidiaries and is reviewed regularly to ensure transparency, accountability, and independence. During the reporting period, the Group strictly complied with the Stock Exchange Code.

The Board of Directors, as the highest decision-making and leadership body, is primarily responsible for overseeing all major affairs of the Company, including formulating and approving the Company’s operational strategies, management policies, internal controls, and risk management systems to ensure the proper operation and management of the Company’s business; reviewing the Company’s corporate governance policies and practices; setting targets and guidelines for management to enhance shareholder value; and monitoring management’s performance and providing guidance to management.

The Board has established six Board Committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Corporate Governance Committee, the Strategic Development Committee, and the Risk Management Committee. In addition to the above Board Committees, the Company has an ESG Committee. Each committee has formulated clear terms of reference covering its responsibilities, powers, and functions.

The Group firmly believes that building an independent board structure is crucial to protecting shareholders’ interests and supporting the long-term development of the Company. It has established a sound board independence mechanism to effectively ensure that the Board fulfils its duties legally and diligently, ensuring the objectivity and fairness of decision-making.

8.2 Business Ethics

8.2.1 Anti-Corruption

We consistently adhere to the highest standards of integrity and legality, strictly complying with the “Criminal Law of the People’s Republic of China”, the “Anti-Unfair Competition Law of the People’s Republic of China”, the “Bidding Law of the People’s Republic of China”, and the “Prevention of Bribery Ordinance” of Hong Kong. We profoundly understand the importance of business ethics and anti-corruption measures, hence integrating business ethics and codes of conduct into the Group’s risk management framework and closely monitoring their implementation.

The Group explicitly prohibits any form of corruption, including but not limited to accepting benefits or kickbacks from suppliers, and colluding with suppliers to commit fraud and falsely report sales volumes. We adhere to the principle of “Whoever Takes Charge Should Be Responsible”; the employees involved and relevant supervisors must bear corresponding responsibilities. If any acts of illicit benefit transfer are discovered, we will immediately conduct a comprehensive investigation covering the personnel involved and the entire business department. In accordance with the “*直管公司績效考核管理辦法* (Performance Assessment and Management Measures for Directly-Managed Companies)”, binding indicators concerning the management of transactions, risk and internal control, and other requirements for employee ethics and anti-corruption are closely monitored and evaluated in operational business assessments.

Designated departments and each business departments strictly implement anti-corruption policies, making immense efforts to eradicate unethical business practices. The Audit Committee of the Board is responsible for overseeing relevant affairs of business ethics and compliance at the Group level. According to the “*特殊關聯企業管理辦法* (Special Affiliated Enterprise Management Measures)”, the Audit and Supervision Division is also responsible for managing special affiliated businesses through various channels such as regular or irregular special inspections, effectiveness supervision, and audits. Representatives of various business divisions are responsible for implementing anti-corruption plans, the Audit and Supervision Division is responsible for supervising and evaluating implementation, and the departments are responsible for guiding their suppliers to provide goods and services that comply with the Group’s procurement and supply chain management policies. Furthermore, subsidiaries are responsible for reporting instances of employees violating the Company’s policies to the Audit and Supervision Division.

Environmental, Social and Governance Report

During the reporting period, the Group did not face any litigation cases related to corruption.

The Group has formulated the “中遠海運國際員工職業道德及行為準則(「守則」)” (Professional Ethics and Code of Conduct for the Staff of COSCO SHIPPING International) (the “Code”) to ensure all employees understand and comply with the aforementioned principles, thereby maintaining high integrity and ethical standards. The Code provides guidelines for appropriate behaviour under various scenarios employees may face. Specifically, the Code prohibits employees from using their positions to offer bribes or accept improper benefits, seizing the Group’s business opportunities, using any of the Group’s properties for personal gain, and engaging in other activities that may harm the Group’s interests. Additionally, employees should maintain long-term and trustworthy relationships with clients, contractors, and suppliers. Any employee violating the Code will be subject to disciplinary action, including termination of employment. The Group has a responsibility to report any suspected regulatory violations or illegal acts to the relevant authorities and cooperate with investigations. The Company formulated corresponding anti-bribery policies, establishing certain regulations regarding the registration and handling of surrendered gifts.

To deepen employees’ awareness of business ethics practices, our goal is to conduct an annual employee self-assessment survey across all divisions and subsidiaries. This survey covers various areas outlined in the Code, such as integrity and fairness, declaration and disclosure of interests, conflicts of interest, safeguarding confidential information and company assets, and relationships with clients, suppliers, and contractors. In 2025, we conducted a self-inspection and review of employees’ compliance with professional ethics. A total of 832 employees participated in the self-inspection, with results showing that all employees complied with the provisions of the Code.

Moreover, we carried out anti-corruption and business ethics training on a regular basis covering all full-time and part-time employees to strengthen employees’ anti-corruption awareness.

Case Study: The Group Held the “2025 Integrity and Honesty Education Special” Training

On 8 May, the Group held the “2025 Integrity and Honesty Education Special” training. A Senior Community Relations Education Officer from the Community Relations Department of the Hong Kong Independent Commission Against Corruption (ICAC) served as the guest speaker. Nearly 100 people, including the Company’s management, heads of key positions such as sales and procurement, and employees, attended the training. The training provided an in-depth interpretation of “Prevention of Bribery Ordinance (the “Ordinance”)” in Hong Kong, covering core provisions of the Ordinance, common high-risk areas for corruption and fraud, anti-corruption management recommendations, and methods for handling conflicts of interest. Through this training, participants better absorbed and mastered the latest policy developments and legal requirements regarding anti-corruption in Hong Kong, playing a positive role in better promoting the development of a culture of integrity and honesty and improving anti-corruption management capabilities.



8.2.2 Whistleblower Protection

The Group has formulated the “舉報政策 (Whistleblowing Policy)”, explicitly stipulating that employees and individuals having business dealings with the Company can report any suspected corrupt acts through anonymous channels. It details relevant processes and mechanisms, aiming to promote a corporate culture of integrity and honesty, strengthening operational transparency and accountability mechanisms. The “Whistleblowing Policy” strictly observes confidentiality principles, ensuring that the whistleblower’s identity is not leaked or disclosed without his consent. The Board of Directors is responsible for supervising the effective implementation and execution of this policy to maintain high standards of corporate fairness and integrity. Any acts of interfering with or disrupting investigations are deemed serious disciplinary violations. The Discipline Inspection Commission of COSCO Kansai Companies convenes work meetings quarterly to review relevant situations and take corresponding supervisory management measures. It simultaneously continues to broaden whistleblowing channels, setting up dedicated whistleblowing email boxes to unblock avenues for reflecting opinions and supervision.

Employees can choose to report by real name or anonymously. Whistleblowing channels including dedicated email addresses and hotlines have been established. All reports will be kept strictly confidential, and the Compliance Management Committee, the person-in-charge of compliance management, and the Corporate Management Division will organise evaluations and investigations for violation incidents within their management scope. COSCO SHIPPING International Trading has made its corporate whistleblowing hotline available to partners, customers, and related parties, supporting both real-name and anonymous reporting. It also opened an employee whistleblowing email to all staff, strictly keeping the whistleblowers’ identities confidential.

8.3 Compliance and Risk Control

The Group has always regarded risk management and control as a core safeguard for its business development. It strictly adheres to internal management policies such as “內部控制及風險管理辦法 (Internal Control and Risk Management Measures)”, “風險評估管理規定 (Risk Assessment Management Regulations)”, “重大經營風險及重大經營風險事件報告管理規定 (Management Regulations for Reporting Major Operational Risks and Major Operational Risk Incidents)”, and “貿易業務風險管理規定 (Trade Business Risk Management Regulations)”. The Group continuously improves its risk management system, further standardises risk prevention and control processes, and enhances the level of refined management, thereby laying a solid institutional foundation for the effective prevention and scientific handling of various ESG-related risks.

The Group deeply integrates its compliance risk list with its annual operational risk assessment list, applying unified identification, assessment, control, and updating. Based on the annual operational risk assessment, the compliance risk dimension is fully embedded, incorporating legal compliance, disputes and litigation, connected transactions, insider information management, integrity and clean practice, and other compliance matters into the Group’s overall risk list for unified management. This approach deeply integrates compliance management into daily business operations.

Environmental, Social and Governance Report

At the same time, the Group put greater efforts in compliance risk screening efforts in key areas such as economic sanctions, export controls, and the use of standard contracts. In terms of compliance risk alerts, the Group closely monitors legislative and regulatory developments both domestically and internationally, examines the impact of relevant compliance risk incidents on potential key investment regions, issues timely risk warnings, and conducts targeted special risk studies to enhance the foresight of compliance management, striving to effectively prevent major compliance risks.

The Group advocates free and fair competition, avoiding participation in any discussions, communications, information sharing, or agreements that may violate applicable anti-trust and competition laws. It strictly complies with international trade regulations and export control regulations, resolutely boycotts any and all forms of extortion and bribery, and urges the Group and its business partners to conduct business ethically.

The Group firmly upholds the principle of free and fair competition. We comply with the “Law Against Unfair Competition of the People’s Republic of China”, the “Interim Provisions on the Protection of Commercial Secrets of Central Enterprises” issued by the State-owned Assets Supervision and Administration Commission of the State Council, and the “Administrative Measures on the Protection of Trade Secrets” promulgated by China COSCO Shipping Corporation Limited. We have formulated the “保護商業秘密行政措施 (Administrative Measures on the Protection of Trade Secrets)”, avoiding participation in any discussions, communications, information sharing, or agreements that may violate applicable anti-trust and competition laws. The Group strictly abides by international trade regulations and export control ordinances, adopting a zero-tolerance attitude towards any form of extortion and bribery. We have also implemented the “員工管理辦法 (Employee Management Measures)” to prevent employees from disclosing customer data and strategic cooperation agreements to any third party, ensuring all business activities are conducted in a compliant and ethical manner.

Case: The Group Held the “2025 Integrity and Honesty Education Special” Training

From 16 to 18 July, the Group organised and held the 2025 compliance management special training at the Shanghai Branch of the COSCO SHIPPING Talent Development Academy, aiming to further advance the establishment of the Company’s compliance management system, cultivate a culture of legal compliance, and elevate the company’s overall compliance management level. A total of 42 people participated, including risk control and compliance specialists from various departments, major leaders of directly managed units, or leaders, persons in charge, and related personnel responsible for legal, risk control, and compliance. The training programmes covered six aspects: corporate legal system development and compliance management practices, practical courses on foreign-related laws, cross-border financial sanction risk management, the new Company Law and corporate ESG practice and compliance, corporate governance according to law and risk control/compliance management under the wave of AI, and practical interpretation of the Measures for the Compliance Management of Central Enterprises. Senior industry experts and scholars were invited to the lectures. Through diverse formats such as theoretical explanations, case analyses, and group discussions, participating trainees deeply learned the latest concepts and practical experiences in compliance management, effectively enhancing their awareness of compliance risk control and business capabilities.

PERFORMANCE DATA SUMMARY — ENVIRONMENTAL

Indicator	Unit	2025	2024	2023
Greenhouse Gas (GHG) Emissions				
Scope 1 ^{Note 1}				
Total emissions	metric tonnes	503	682	412
Petrol ^{Note 2}		51	188	76
Diesel ^{Note 2}		134	154	101
Natural gas ^{Note 2}		318	340	235
Scope 2 ^{Note 2}				
Total emissions	metric tonnes	3,290	3,625	3,479
Electricity		3,290	3,625	3,479
Scope 3 ^{Note 3}				
Total emissions	metric tonnes	380,548	176,058	824
Purchased goods and services		280,106	71,004	65
Capital goods		448	—	—
Fuel and energy-related activities (not included in Scope 1 and Scope 2)		97,809	104,504	—
Upstream transportation and distribution		1,195	2.22	—
Waste generated in operations		284	144	—
Business travel		418	320	759
Employee commuting		288	84	—
Total GHG Emissions				
Scope 1, 2 and 3	metric tonnes	384,341	180,365	4,715
GHG emissions per m ² of floor area (Scope 1, 2 and 3)	metric tonnes/m ²	9.15	3.87	0.10
GHG emissions per employee (Scope 1, 2 and 3)	metric tonnes/employee	475.67	222.95	5.48
Air Emissions				
VOCs and Benzene	metric tonnes	3.92	2.46	2.37
Toluene		0.24	0.06	0.20
Xylene		0.63	0.15	0.19
Particulate matter		0.31	0.48	0.17
Other exhaust gas emissions		0	0	0
Energy Consumption				
Direct Energy Consumption				
Diesel	litre	50,494	58,129	38,185
Petrol	litre	19,250	70,722	28,608
Natural gas	m ³	147,221	157,033	108,719
Indirect Energy Consumption				
Power consumption	kWh	6,345,063	6,800,110	4,372,681
Power consumption density per m ² of floor area	kWh/m ²	151.14	146.03	95.46
Power consumption density per employee	kWh/employee	7,852.80	8,405.57	5,084.51
Water Consumption				
Total water consumption	metric tonnes	44,296	43,992	31,713
Water consumption density	metric tonnes/m ²	1.06	1.20	0.87
Waste Management				
Solid waste (hazardous)	metric tonnes	3,159	2,734	1,016
Solid waste (non-hazardous)		651	259.81	229.7
Wastewater				
Wastewater	metric tonnes	19,698	17,181	15,769
Packaging materials				
Coating packaging materials	metric tonnes	7,755	7,046	3,691

Environmental, Social and Governance Report

Notes:

- 1 The emission factors and Global Warming Potentials (GWP) for Scope 1 GHG emissions are applied in accordance with those provided in Appendix 2: Reporting Guidance on Environmental KPIs by the Stock Exchange.
- 2 The emission factors for Scope 2 GHG emissions are differentiated by region. The carbon emission intensity of electricity generation provided in HK Electric Investments' 2024 Sustainability Report is adopted for Hong Kong, China. For Mainland China, the electricity carbon emission factor provided in the 2023 Electricity Carbon Dioxide Emission Factors is adopted.
- 3 Scope 3 GHG emission accounting is conducted with reference to relevant standards and factors such as the GHG Protocol Corporate Accounting and Reporting Standard, the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Appendix 2: Reporting Guidance on Environmental KPIs by the Stock Exchange, the China Product Full Life Cycle Greenhouse Gas Emission Factor Database, and the U.S. Environmentally-Extended Input-Output (USEEIO) Supply Chain Greenhouse Gas Emission Factors. In accordance with relevant Listing Rules requirements, the Group has identified and quantified seven categories of Scope 3 GHG emissions according to the latest regulations. Moving forward, we will continue to optimize emission management to gradually achieve the goal of fully covering indirect emissions across the supply chain and product life cycles. During the reporting period, we updated and calculated the boundary and calculation method for the Scope 3 category of Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2), and restated the calculation results for 2024.

PERFORMANCE DATA SUMMARY — SOCIAL

Indicator	Unit	2025	2024	2023
Employment				
Total Workforce	number	808	809	860
By Employment Type				
Full-time	number	808	808	859
Contract or short-term		0	1	1
By Gender				
Male	number	565	565	615
Female		243	244	245
By Region				
Hong Kong	number	205	201	195
Mainland China		569	580	638
Overseas		34	28	27
By Age Group				
30 or below	number	86	79	62
31–50		521	548	585
Over 50		201	182	213
Overall Employee Turnover Rate				
Turnover rate	%	5	4	4
By Gender				
Male	%	3	4	4
Female		9	4	5
By Region				
Hong Kong	%	12	9	12
Mainland China		3	2	2
Overseas		0	0	0
By Age Group				
30 or below	%	15	4	6
31–50		3	4	4
Over 50		4	2	4
Employee Development and training				
Total training hours received	hour	91,229	70,342	75,063

Environmental, Social and Governance Report

Indicator	Unit	2025	2024	2023
Percentage of Employees Trained (by Gender) ^{Note a}				
Male	%	100	99	91
Female		100	97	99
Percentage of Employees Trained (by Employment Category) ^{Note a}				
Senior management	%	100	94	73
Middle management		100	92	94
General staff		100	100	100
Average Training Hours (by Gender)				
Male	hours/person	125	98	98
Female		84	66	68
Average Training Hours (by Employment Category)				
Senior management	hours/person	101	95	92
Middle management		112	97	101
General staff		114	86	87
Supply Chain Management				
Total number of suppliers	number	1,723	1,734	1,589
By Region				
Mainland China	number	819	817	841
Hong Kong		374	395	232
Other countries		530	522	516
Employee Health and Safety				
Work-related fatalities	person	Nil	Nil	Nil
Work injury cases	case	Nil	Nil	Nil
Lost days due to work injury	day	Nil	Nil	Nil
Community Investment				
Corporate charitable donations & sponsorships	HK\$	384,600	405,640	375,800
Volunteer Participation				
Number of participants	person	485	255	320
Service hours	hour	1,898	1,128	1,304
Beneficiaries				
Number of beneficiaries	person	1,722	1,526	747

Note:

- a. Percentage of employees trained by category (%) = Number of trained employees in the category at the end of the reporting period/Total number of employees in the relevant category × 100%

HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE INDEX

A. Environmental		Related Section/Statement	Page
Aspect A1: Emissions			
General Disclosure	Disclosure Statement	Environmental Compliance Management, Green Operations	86–87, 88–96
KPI A1.1	Types of emissions and respective emission data	Performance Data Summary — Environmental	139–140
KPI A1.3	Total hazardous waste produced	Performance Data Summary — Environmental	139–140
KPI A1.4	Total non-hazardous waste produced	Performance Data Summary — Environmental	139–140
KPI A1.5	Description of emission target(s) set and steps taken to achieve them	Exhaust Gas and Noise Management, Waste Management	88–89, 89–90
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Waste Management	89–90
Aspect A2: Use of Resources			
General Disclosure	Disclosure Statement	Environmental Compliance Management, Green Operations	86–87, 88–96
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Performance Data Summary — Environmental	139–140
KPI A2.2	Water consumption in total and intensity	Performance Data Summary — Environmental	139–140
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Energy Utilisation	92–95
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Water Resource Management	90–92
KPI A2.5	Total packaging material used for finished products	Performance Data Summary — Environmental	139–140
Aspect A3: The Environment and Natural Resources			
General Disclosure	Disclosure Statement	Environmental Compliance Management, Green Operations	86–87, 88–96
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Biodiversity and Ecological Protection, Green Product and Service Innovation	97–98, 98–100

B. Social		Related Section/Statement	Page
Aspect B1: Employment			
General Disclosure	Disclosure Statement	Equal Employment	102–103
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Performance Data Summary — Social	141–142
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Performance Data Summary — Social	141–142
Aspect B2: Health and Safety			
General Disclosure	Disclosure Statement	Occupational Safety and Health	110–117
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years	Performance Data Summary — Social	141–142
KPI B2.2	Lost days due to work injury	Performance Data Summary — Social	141–142
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Occupational Safety and Health	110–117
Aspect B3: Development and Training			
General Disclosure	Disclosure Statement	Employee Training and Development	105–107
KPI B3.1	Percentage of employees trained by gender and employee category	Performance Data Summary — Social	141–142
KPI B3.2	Average training hours completed per employee by gender and employee category	Performance Data Summary — Social	141–142
Aspect B4: Labour Standards			
General Disclosure	Disclosure Statement	Labour Standards	101–102
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Labour Standards	101–102
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Labour Standards	101–102
Aspect B5: Supply Chain Management			
General Disclosure	Disclosure Statement	Supply Chain Management	117–120
KPI B5.1	Number of suppliers by geographical region	Performance Data Summary — Social	141–142
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Supplier Admission	117–118
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Supplier Admission, Supplier Monitoring and Communication	117–118
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Supplier Admission, Supplier Monitoring and Communication	117–118

B. Social		Related Section/Statement	Page
Aspect B6: Product Responsibility			
General Disclosure	Disclosure Statement	Product Quality and Responsibility, Customer Service	120–123, 124–126
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Product Quality and Responsibility	120–123
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	Customer Service	124–126
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Intellectual Property Protection	129
KPI B6.4	Description of quality assurance process and recall procedures	Product Quality and Responsibility	120–123
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Customer Privacy Protection	125–126
Aspect B7: Anti-corruption			
General Disclosure	Disclosure Statement	Business Ethics	135–137
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-corruption	135–136
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Whistleblower Protection	137
KPI B7.3	Description of anti-corruption training provided to directors and staff	Anti-corruption	135–136
Aspect B8: Community Investment			
General Disclosure	Disclosure Statement	Community Investment	130–134
KPI B8.1	Focus areas of contribution	Community Investment	130–134
KPI B8.2	Resources contributed to the focus area	Community Investment	130–134
D. Climate-related Disclosures			
Governance	Governance body(ies) and governance processes for climate-related risks and opportunities	Climate Governance	76
Strategy and Decision-Making	Identification of climate-related risks and opportunities, business impacts and actions	Climate Strategy	76–78
	Climate resilience	Climate Strategy	79–83
Risk Management	Processes for managing climate-related risks and opportunities	Climate Risk and opportunity Management	83–84
Metrics and Targets	Greenhouse gas emissions	Performance Data Summary — Environmental	139–140

Directors' Report

The board of directors of the Company (the "Director(s)" or the "Board") presents this Directors' Report (the "Report") together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company's principal activity is investment holding. The principal activities of the Group include shipping services and general trading. The activities of the principal subsidiaries are set out in note 36 to the financial statements. An analysis of the revenue and segment information of the Group for the year is set out in note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated income statement on page 179 of this annual report. The Board has recommended the payment of a final dividend of 19 HK cents (2024: 21.5 HK cents) per share and the payment of an additional special dividend of 10 HK cents per share for the year ended 31 December 2025. Subject to the approval of the shareholders of the Company (the "Shareholders") in the annual general meeting to be held on 29 May 2026 (the "AGM"), approximately HK\$425,131,000 will be paid on 15 July 2026 to the Shareholders whose names appear on the register of members of the Company on 30 June 2026. The proposed final dividend and special dividend together with the interim dividend of 33 HK cents per share, total dividends per share for the year 2025 are 62 HK cents (2024: 48 HK cents).

BUSINESS REVIEW

The Group is principally engaged in the provision of shipping services and general trading. The shipping services business, the core business of the Group which includes ship trading agency services, insurance brokerage services, supply of marine equipment and spare parts, production and sale of coatings and intelligent shipping services etc.. The Group is committed to promoting green operation and actively implementing energy saving, emission reduction and recycling by implementing practices such as turning off all non-essential lights. In addition, the Group's coatings business reflects the significant environmental impacts among other business and therefore the coatings manufacturing subsidiaries of the Company in Mainland China strictly comply with the relevant laws and regulations in the People's Republic of China (the "PRC"). Being people-oriented, the Group ensures that all staff is reasonably remunerated and maintains a good relationship with its customers and suppliers. Further discussion and analysis of the Group's activities as required by Schedule 5 to the Companies Ordinance of Hong Kong (Cap.622), including a fair review of the Group's business, a description of the principal risks and uncertainties facing by the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2025, an indication of possible future development in the Group's business, an analysis using financial key performance indicators, a discussion on the Group's environmental policies and performance and the compliance with the relevant laws and regulations that have a significant impact on the Group, and an account of the Group's key relationships with its employees, customers and suppliers and others that have a significant impact on the Group and on which the Group's success depends, are set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Prospects", "Corporate Governance Report", "Environmental, Social and Governance Report" and "Five-Year Financial Summary" of this annual report. Also, the financial risk management objectives and policies of the Group can be found in note 3 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 7 to the financial statements.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2025 calculated under Companies Act of Bermuda amounted to HK\$6,352,353,000 (2024: HK\$6,422,583,000).

BORROWINGS

Borrowings repayable on demand or within one year are classified under current liabilities. As at 31 December 2025, the Group's total borrowings were nil.

RESERVES

Details of the movements in reserves of the Group and the Company during the year are set out in note 19 and note 35 to the financial statements respectively.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 18 to the financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "Share Option Incentive Scheme" on pages 164 to 168 and any outstanding share options granted thereunder, no equity-linked agreements which may result in the Company issuing share was entered into or existed during the year.

DONATIONS

Donations made by the Group during the year amounted to approximately HK\$384,600 (2023: HK\$405,640).

FIVE-YEAR FINANCIAL SUMMARY

A five-year financial summary of the Group is set out on pages 255 to 256.

DIRECTORS

The Directors during the year ended 31 December 2025 (the "Reporting Period") and up to the date of the Report were:

Executive Directors

Mr. Zhu Changyu (*Chairman and Managing Director*)

Mr. Wang Yong (appointed on 24 January 2025)

Ms. Meng Xin (resigned on 24 January 2025)

Non-executive Directors

Mr. Ma Xianghui

Ms. Zhang Xueyan (appointed on 24 January 2025)

Independent Non-executive Directors

Mr. Tsui Yiu Wa, Alec

Mr. Jiang, Simon X.

Mr. Kwong Che Keung, Gordon

In accordance with bye-law 99 of the Company's bye-laws, every Director shall be subject to retirement by rotation at least once every three years and a retiring Director shall be eligible for re-election at such annual general meeting of the Company. Pursuant to bye-law 99 of the Company's bye-laws, Mr. Jiang, Simon X. shall retire from office at the forthcoming annual general meeting of the Company and be eligible for re-election.

Ms. Meng Xin resigned as Executive Director on 24 January 2025 due to work arrangement. She confirmed that there was no disagreement with the Board needed to be brought to the attention of the Shareholders.

DIRECTORS' SERVICE CONTRACTS

Mr. Zhu Changyu, being the Executive Director, has entered into a letter of appointment with the Company on 30 May 2025 for a term commencing from 30 May 2025 to the conclusion of the 2027 annual general meeting. Mr. Ma Xianghui, being the Non-executive Director, has entered into a letter of appointment with the Company on 26 June 2024 for a term commencing from 26 June 2024 to the conclusion of the 2026 annual general meeting of the Company. Each of Ms. Zhang Xueyan, being the Non-executive Director and Mr. Wang Yong, being the Executive Director, has entered into a letter of appointment with the Company on 24 January 2025 for a term commencing from 24 January 2025 to the conclusion of the 2027 annual general meeting. Each of Mr. Tsui Yiu Wa, Alec, Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon, being the Independent Non-executive Director, has entered into a letter of appointment with the Company on 31 May 2024 for a term commencing from 31 May 2024 to the conclusion of the 2026 annual general meeting of the Company. Ms. Meng Xin, being the ex-Executive Director, has entered into a letter of appointment with the Company on 31 May 2024 for a term commencing from 31 May 2024 to the conclusion of the 2026 annual general meeting.

Each of the above letters of appointment is subject to termination by either party giving one month's prior notice in writing or such other shorter notice period as may be agreed by both parties.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with any members of the Group which is not determinable within one year by respective member of the Group without the payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, Directors for the time being shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices pursuant to the Company's bye-laws. In addition, the Company has maintained appropriate directors and officers liability insurance coverage for the directors of the Group.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed under the section headed "Directors' Interests in Securities", at no time during the year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year and up to the date of the Report, the current Directors, namely Mr. Zhu Changyu, Mr. Ma Xianghui, Ms. Zhang Xueyan, Mr. Wang Yong and the ex-Director, namely Ms. Meng Xin held directorships or senior management positions in COSCO SHIPPING and/or its associates which have interests in shipping services business.

The Board is of the view that the Group is capable of carrying on its businesses independently of the interests referred to in the paragraph above. When making decisions on the shipping services business of the Group, the relevant Directors, in the performance of their duties as Directors, have acted and will continue to act in the best interest of the Group. Other than as disclosed above, none of the Directors and their respective associates has interests in the businesses which competes or was likely to compete, whether directly or indirectly, with the businesses of the Group.

CONNECTED TRANSACTIONS

Pursuant to Chapter 14A of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the following connected transactions and/or continuing connected transactions of the Group are required to be disclosed in this annual report:

1. Continuing Connected Transactions

1. (a) A master supply agreement was entered into between the Company and COSCO SHIPPING (Hong Kong) Co., Limited, the immediate holding company of the Company, being the connected person of the Company ("COSCO SHIPPING (Hong Kong)") on 18 October 2022 in relation to (1) provision of marine and general insurance brokerage services and other services by the relevant member(s) of the Group to the relevant member(s) of 中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited*), the ultimate holding company of the Company ("COSCO SHIPPING") and its subsidiaries and associates (other than the Group), being connected persons of the Company ("COSCO SHIPPING Group"); and (2) provision of shipping services, sale of shipping related materials and products and sale of other materials and products in connection with the general trading business of the Group by the relevant member(s) of the Group to the relevant member(s) of COSCO SHIPPING Group, including without limitation: (a) the provision of ship agency services in relation to shipbuilding, ship trading, chartering businesses and the sale and purchase of marine equipment and other related services; (b) the provision of supply and installation, repair, logistics and agency services in relation to (i) ship facilities and accessories, which include equipment, materials, spare parts for vessels, oil drills, projects at sea or on land and ports, (ii) radio communication, satellite communication, navigation equipment and other materials, and (iii) construction materials and facilities, chemicals and information management systems; and (c) the sale of coatings (collectively the "Supply Continuing Connected Transactions") for the three financial years ending 31 December 2025 (the "Master Supply Agreement"). The transactions contemplated under the Master Supply Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis and the service fees, commission, brokerage income and the consideration for the sale of materials and products shall be at market rates or rates no less favourable to the relevant member(s) of the Group than those available to or from (as appropriate) independent third parties. The amount of service fees payable by COSCO SHIPPING Group under the Master Supply Agreement would be mainly determined by pre-determined formulae adopted by the Group (for example, insurance brokerage services and shipping agency services will be charged at certain fixed percentages of the value of the subject matter with reference to the relevant fixed percentages at which the provision of comparable services to independent third party customers will be charged). The prices offered to COSCO SHIPPING Group for services provided by the Group and the sale of shipping related materials and products and sale of other materials and products in connection with the general trading business of the Group shall be at market rates or rates no less favourable to the relevant member(s) of the Group than those available to independent third party customers for comparable services and similar materials and products (based on similar amount and similar specifications) respectively. For the purpose of determining the market rates for services fees and the prices for sale of materials and products, the Group will consider the certain fixed percentages of the value of the subject matter and prices offered to independent third party customers of comparable services and similar materials and products (based on similar amount and similar specifications) respectively and compare to those offered to COSCO SHIPPING Group. In particular, the relevant sales department of the related companies within the Group will compare (for services fees) the fixed percentages of the value of the subject matter and (for prices for sale of materials and products) the selling price, in each case, offered to different customers (including COSCO SHIPPING Group and at least three independent third party customers) in respect of comparable service and a similar type of materials or products (based on similar amount and similar specifications) (as the case

* for identification purposes only

may be) respectively. The aggregate amount of the Supply Continuing Connected Transactions for each of the financial years ending 31 December 2023, 2024 and 2025 would not exceed the relevant cap amounts set out in the table headed "Caps with COSCO SHIPPING Group" (the "Supply Caps").

- (b) A financial services master agreement was entered into between the Company and 中遠海運集團財務有限責任公司 (COSCO SHIPPING Finance Co. Limited*), a subsidiary of COSCO SHIPPING, being a connected person of the Company ("COSCO SHIPPING Finance") on 18 October 2022 in relation to the provision of a range of financial services, including the deposit services, loan services (except for loans to be secured by the assets of the relevant member(s) of the Group), settlement services, remittance services, entrusted loan services (as lending agent in entrusted loan arrangements among members of the Group), acceptance bill issuance services, foreign exchange services, and other services which may be provided by COSCO SHIPPING Finance as approved by China Banking and Insurance Regulatory Commission, by COSCO SHIPPING Finance to the Group (collectively the "Financial Services Continuing Connected Transactions") for the three financial years ending 31 December 2025 (the "Financial Services Master Agreement"). The transactions contemplated under the Financial Services Master Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis and the terms of the transactions (including the interest receivable by the Group and the fees (including the service fees and handling charges) payable under the financial services to COSCO SHIPPING Finance) shall be at market rates or rates no less favourable than those offered by COSCO SHIPPING Finance to independent third parties or those offered to the relevant member(s) of the Group by independent third parties (as appropriate). It was agreed that the interest payable to or receivable by the Group (as appropriate) or service fees payable by the Group for the services are (a) the interest rate for the deposit services shall be no lower than: (i) the floor rate for the same category of deposit services stipulated by the People's Bank of China from time to time; (ii) the rate for the same category of deposit services offered by independent commercial banks in the PRC; and (iii) the rate for the same category and same term(s) of deposit services offered by COSCO SHIPPING Finance to other member company(ies) of COSCO SHIPPING Group; (b) the interest rate for the loan and entrusted loan services shall be no higher than: (i) the cap rate for the same category of loan services stipulated by the People's Bank of China from time to time; and (ii) the rate for the same category of loan services charged by independent commercial banks in the PRC of the same period; and (c) service fees of services other than deposits and loan services shall be determined in accordance with the following pricing principles: (i) the price to be complied with the fee standards prescribed by the People's Bank of China or China Banking and Insurance Regulatory Commission; (ii) no higher than those charged by independent commercial banks in the PRC for services of similar nature; and (iii) no higher than those charged by COSCO SHIPPING Finance to other member company(ies) of COSCO SHIPPING Group for similar services. The aggregate amount of the Financial Services Continuing Connected Transactions for each of the financial year ending 31 December 2023, 2024 and 2025 would not exceed the relevant cap amounts set out in the table headed "Caps with COSCO SHIPPING Group" (the "Financial Services Caps").
- (c) A master purchase agreement was entered into between the Company and COSCO SHIPPING (Hong Kong) on 18 October 2022 in relation to the provision of shipping and other services, sale of shipping related materials and products and sale of other materials and products in connection with the general trading business of the Group by the relevant member(s) of COSCO SHIPPING Group to the relevant member(s) of the Group, including without limitation: (a) the provision of agency services, technical services and ancillary services, including the collection of market information, technical advisory, promotion and marketing, coordination with suppliers and customers, purchase of raw materials and products from suppliers, the provision of assistance in collecting sale proceeds and the procurement or provision of certain after-sale services; (b) the provision of logistics, transportation services and business travel services; (c) the sale of other materials and products including construction materials and chemicals; (d) the solicitation and referral of businesses by COSCO SHIPPING Group to the Group, including

* for identification purposes only

recommending products manufactured by the Group to the customers and manufacturers of COSCO SHIPPING Group; and (e) the sale of shipping related materials and products (collectively the "Purchase Continuing Connected Transactions") for the three financial years ending 31 December 2025 (the "Master Purchase Agreement"). The transactions contemplated under the Master Purchase Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis and the service fees, commission and the consideration for the purchase of materials and products shall be at market rates or rates no less favourable to the relevant member(s) of the Group than those available to or from (as appropriate) independent third parties. Different pricing policies will be used for different types of services to be provided by COSCO SHIPPING Group to the Group under the Master Purchase Agreement. Part of the services provided by COSCO SHIPPING Group will be charged by adopting pre-determined formulae (for example, provision of agency services, technical services and ancillary services and solicitation and referral of businesses will be charged at certain fixed percentages of the value of the subject matter with reference to market price of comparable services) and the remaining services will be charged by COSCO SHIPPING Group at fixed per unit consideration (for example, provision of logistics, transportation and business travel services will be charged at a fixed per unit price based on the quantity of the subject matter involved and the distance of the destination and location). The prices offered by COSCO SHIPPING Group for services provided to the Group and sale of other materials and products including construction materials and chemicals to the Group shall be at market rates or rates no less favourable to the relevant member(s) of the Group than those available from independent third party suppliers for comparable services and similar materials and products (based on similar amount and similar specifications) respectively. In particular, the relevant purchasing department of the related companies within the Group will obtain quotations from different suppliers (including COSCO SHIPPING Group and at least three independent third party suppliers) in respect of comparable services and a similar type of materials or products (based on similar amount and similar specifications) respectively for comparison. In case the service fees charged by COSCO SHIPPING Group at fixed per unit consideration (including premium (if any)), quotations of the fixed per unit consideration (including premium (if any)) in respect of comparable services from at least three independent third party suppliers will be obtained for comparison. The quoted fixed per unit considerations (including premium (if any)) so obtained will then be used to determine the fixed per unit consideration (including premium (if any)) at which the relevant services will be charged. The aggregate amount of the Purchase Continuing Connected Transactions for each of the financial years ending 31 December 2023, 2024 and 2025 would not exceed the relevant cap amounts set out in the table headed "Caps with COSCO SHIPPING Group" (the "Purchase Caps").

- (d) A management services master agreement was entered into between the Company and COSCO SHIPPING (Hong Kong) on 18 October 2022 in relation to the provision of administrative services including information technology and office communication network support, business management and manpower resources (including without limitation manpower resources with expertise and experience in the business carried on by the Group from time to time and management of human resources), technical support and other administrative and ancillary support (including without limitation sharing of office premises, office equipment, network and communication system, information technology, other technical support, system management, financial system and maintenance) by the relevant member(s) of COSCO SHIPPING Group to the relevant member(s) of the Group and sharing of office premises by the relevant member(s) of the Group for the three financial years ending 31 December 2025 (the "Management Services Master Agreement") with the annual caps of HK\$14,000,000, HK\$15,000,000 and HK\$16,000,000 for each of the financial years ending 31 December 2023, 2024 and 2025 respectively (the "Management Services Caps"). In addition, a supplemental management services master agreement was entered into between the Company and COSCO SHIPPING (Hong Kong) on 12 September 2024 (the "Supplemental Management Services Master Agreement") to revise the annual caps for the financial years ending 31 December 2024 and 2025 from HK\$15,000,000 to HK\$31,000,000 and from HK\$16,000,000 to HK\$32,000,000 respectively (collectively the "Management Services Revised Caps"). The transactions contemplated under the Management Services

Master Agreement and the Supplemental Management Services Master Agreement are collectively called the Management Services Continuing Connected Transactions and shall be conducted on normal commercial terms. The management fee shall be calculated based on either (aa) the Group's prorated share of the common administrative costs which shall be determined based on the statistics of time-sharing of the workload of staff members shared by the Group and COSCO SHIPPING Group or the utilisation rate of the office support functions and network systems (depending on the type of management services which are provided) and the actual costs, expenses and disbursements incurred by COSCO SHIPPING Group in the course of its provision of the administrative services to the Group; or (bb) fixed per unit consideration. This shall take into account the historical usage of administrative services by the Group provided by COSCO SHIPPING Group in the past two to three years with reference to the statistics of time-sharing of the workload of staff members shared by the Group and the utilisation rate of the office support functions and network systems and sharing of office premises (depending on the type of management services which are provided) and the actual costs, expenses and disbursements incurred by COSCO SHIPPING Group in the course of its provision of the administrative services to the Group. The fixed per unit consideration (subject to annual adjustment by inflation rate depending on the type of management services which are provided) will then be used to determine the annual services fees to be paid by the Group. The Group will consider the fees offered to be charged by independent third parties of similar services and compare to those offered by COSCO SHIPPING Group. In particular, the relevant department of the related companies within the Group will obtain quotations from different service providers (both COSCO SHIPPING Group and at least three independent third parties) in respect of similar services for comparison. The aggregate amount of the Management Services Continuing Connected Transaction for each of the financial year ending 31 December 2023, 2024 and 2025 would not exceed the relevant cap amounts set out in the table headed "Caps with COSCO SHIPPING Group".

- (e) A master tenancy agreement was entered into between the Company and COSCO SHIPPING (Hong Kong) on 18 October 2022 in relation to the leasing or sub-leasing of any of the properties owned by or leased to COSCO SHIPPING Group from time to time by the relevant member(s) of COSCO SHIPPING Group to the relevant member(s) of the Group at any time during the period from 1 January 2023 to 31 December 2025 (the "Master Tenancy Agreement") with the annual caps of HK\$36,000,000, HK\$38,000,000, HK\$39,000,000 for each of the financial years ending 31 December 2023, 2024 and 2025 respectively (the "Tenancy Caps"). In addition, a supplemental master tenancy agreement was entered into between the Company and COSCO SHIPPING (Hong Kong) on 12 September 2024 (the "Supplemental Master Tenancy Agreement") to revise the annual caps for the financial years ending 31 December 2024 and 2025 from HK\$38,000,000 to HK\$42,000,000 and from HK\$39,000,000 to HK\$46,000,000 respectively (collectively the "Tenancy Revised Caps"). The transactions contemplated under the Master Tenancy Agreement and the Supplemental Master Tenancy Agreement are collectively called the Tenancy Continuing Connected Transactions and shall be conducted on normal commercial terms. The rent and other fees and charges payable by the Group to COSCO SHIPPING Group will be determined based on fixed per unit consideration and the Group will consider the rental offered to be charged by independent third parties of similar properties (based on similar location and similar area) and compare to those offered by COSCO SHIPPING Group. In particular, the relevant department of the related companies within the Group will obtain quotations from different parties (including COSCO SHIPPING Group and at least three independent third parties) in respect of similar properties (based on similar location and similar area) for comparison. The aggregate amount of the Tenancy Continuing Connected Transactions for each of the financial years ending 31 December 2023, 2024 and 2025 would not exceed the relevant cap amounts set out in the table headed "Caps with COSCO SHIPPING Group".

The Master Purchase Agreement, the Management Services Master Agreement, the Master Tenancy Agreement, the Purchase Caps, the Management Services Caps and the Tenancy Caps were exempt from shareholders' approval requirement under Chapter 14A of the Listing Rules, details of which were disclosed in the announcements of the Company dated 18 October 2022 and 8 November 2022. The Supplemental Management Services Master Agreement, the Supplemental Master Tenancy Agreement, the Management Services Revised Caps and the Tenancy Revised Caps were exempt from shareholders' approval requirement under Chapter 14A of the Listing Rules, details of which were disclosed in the announcements of the Company dated 12 September 2024. The Master Supply Agreement, the Financial Services Master Agreement, the Supply Caps and the Financial Services Caps were approved by the independent shareholders at the special general meeting of the Company held on 5 December 2022, details of which were disclosed in the announcements dated 18 October 2022 and 8 November 2022 and circular of the Company dated 14 November 2022 respectively.

Caps with COSCO SHIPPING Group

	Caps for the year ending 31 December 2023	Caps for the year ending 31 December 2024	Caps for the year ending 31 December 2025
Aggregate amount receivable by the Group from COSCO SHIPPING Group for transactions contemplated under the Master Supply Agreement	HK\$2,513,000,000	HK\$2,723,000,000	HK\$2,950,000,000
Amount of daily cash balance(s) of all cash deposits accounts of member(s) of the Group maintained with COSCO SHIPPING Finance (together with interests accrued thereon) and all fees (including service fees and handling charges for the settlement services, remittance services, entrusted loan services, acceptance bill issuance services, foreign exchange services, and other services which may be provided by COSCO SHIPPING Finance as approved by China Banking and Insurance Regulatory Commission) payable by the Group to COSCO SHIPPING Finance for transactions (except transactions in connection with the provision of loan services) contemplated under the Financial Services Master Agreement	RMB716,000,000	RMB721,000,000	RMB726,000,000
Amount of daily outstanding balance(s) of all loan accounts of the member(s) of the Group maintained with COSCO SHIPPING Finance (together with interests accrued thereon) and all service fees and handling charges for the loan services payable by the Group to COSCO SHIPPING Finance for loan transactions contemplated under the Financial Services Master Agreement*	RMB150,000,000	RMB150,000,000	RMB150,000,000
Aggregate amount payable by the Group to COSCO SHIPPING Group for transactions contemplated under the Master Purchase Agreement	HK\$63,000,000	HK\$66,000,000	HK\$68,000,000
Aggregate amount payable by the Group to COSCO SHIPPING Group for transactions contemplated under the Management Services Master Agreement and the Supplemental Management Services Master Agreement	HK\$14,000,000	HK\$31,000,000	HK\$32,000,000
Aggregate amount payable by the Group to COSCO SHIPPING Group (being the annual aggregate maximum amount of rent and other fees and charges payable by the Group to COSCO SHIPPING Group) for transactions contemplated under the Master Tenancy Agreement and the Supplemental Master Tenancy Agreement	HK\$36,000,000	HK\$42,000,000	HK\$46,000,000

* As the loan transactions under the Financial Services Master Agreement would be conducted on normal commercial terms or terms better to the Group and they would not be secured by the assets of the Group, pursuant to Rule 14A.90 of the Listing Rules, the loan transactions contemplated under the Financial Services Master Agreement are fully exempt from shareholders' approval and annual review requirements.

The amount of the Supply Continuing Connected Transactions, the Financial Services Continuing Connected Transactions, the Purchase Continuing Connected Transactions, the Management Services Continuing Connected Transactions and the Tenancy Continuing Connected Transactions (collectively called the "Continuing Connected Transactions with COSCO SHIPPING Group") for the financial year ended 31 December 2025 were as follows:

Aggregate amount receivable by the Group from COSCO SHIPPING Group for transactions contemplated under the Master Supply Agreement	HK\$2,458,927,713
Amount of daily cash balance(s) of all cash deposits accounts of the member(s) of the Group maintained with COSCO SHIPPING Finance (together with interests accrued thereon) and all fees (including service fees and handling charges for the settlement services, remittance services, entrusted loan services and acceptance bill issuance services, foreign exchange services, and other services which may be provided by COSCO SHIPPING Finance as approved by China Banking and Insurance Regulatory Commission) payable by the Group to COSCO SHIPPING Finance for transactions (except transactions in connection with the provision of loan services) contemplated under the Financial Services Master Agreement	Not exceeded RMB726,000,000 with highest daily balance of RMB686,181,468
Amount of daily outstanding balance(s) of all loan accounts of the member(s) of the Group maintained with COSCO SHIPPING Finance (together with interests accrued thereon) and all service fees and handling charges for the loan services payable by the Group to COSCO SHIPPING Finance for loan transactions contemplated under the Financial Services Master Agreement*	Not exceeded RMB150,000,000 with highest daily balance of nil
Aggregate amount payable by the Group to COSCO SHIPPING Group for transactions contemplated under the Master Purchase Agreement	HK\$44,751,199
Aggregate amount payable by the Group to COSCO SHIPPING Group for transactions contemplated under the Management Services Master Agreement and Supplemental Management Services Master Agreement	HK\$20,567,551
Aggregate amount payable by the Group to COSCO SHIPPING Group (being the annual aggregate maximum amount of rent and other fees and charges payable by the Group to COSCO SHIPPING Group) for transactions contemplated under the Master Tenancy Agreement and Supplemental Master Tenancy Agreement	HK\$38,618,153

* As the loan transactions under the Financial Services Master Agreement were conducted on normal commercial terms or terms better to the Group and they would not be secured by the assets of the Group, pursuant to Rule 14A.90 of the Listing Rules, the loan transactions contemplated under the Financial Services Master Agreement were fully exempt from shareholders' approval and annual review requirements.

- On 30 December 2022, a COSCO SHIPPING HK management services master agreement was entered into by the Company, COSCO SHIPPING (Hong Kong) and COSCO SHIPPING (the "COSCO SHIPPING HK Management Services Master Agreement") in relation to the provision of management services by the Company regarding the day-to-day business operations and management of COSCO SHIPPING (Hong Kong) and its subsidiaries and its associates (other than those relating to the Group and Piraeus Port Authority S.A.) ("COSCO SHIPPING (Hong Kong) Group") (collectively the "COSCO SHIPPING HK Management Services Continuing Connected Transactions") for the three financial years ending 31 December 2025. The management fee to be received by the Company shall be negotiated at arm's length by the Company and the relevant member of COSCO SHIPPING (Hong Kong) Group and at a price determined upon the basis of the principle of "cost-plus" which is based on the costs arising recurrently in the course of entrustment (including the costs of human resources, expertise and resources) plus a mark-up rate as agreed after arm's length negotiations

between the Company and the relevant members of COSCO SHIPPING (Hong Kong) Group. The costs of provision of management services will depend on the resources required to be devoted by the Company, including business management and human resources (including but not limited to human resources with the expertise and experience in the businesses conducted by the Company from time to time and human resource management), technical support and other administrative and related supporting administrative services. The apportionment of such costs between the COSCO SHIPPING (Hong Kong) Group and the Company will depend on the division(s) of the Company incurring the costs. In practice, the costs will in general be apportioned in the following manner: (a) if a certain division provides services exclusively for a member of the COSCO SHIPPING (Hong Kong) Group, all costs incurred by that division will be apportioned to that member; (b) if, based on the main responsibilities of the division and the nature of the services provided, the COSCO SHIPPING (Hong Kong) Group and the Company expect that the workload of a division will be attributable to the COSCO SHIPPING (Hong Kong) Group and the Company in a certain proportion such that they agree to apportion the costs incurred by that division between the COSCO SHIPPING (Hong Kong) Group and the Company according to such proportion, then the costs incurred by that division will be apportioned accordingly; and (c) in any other case, the costs incurred by a division will be apportioned between the COSCO SHIPPING (Hong Kong) Group and the Company according to the proportion of the respective average consolidated revenues of the COSCO SHIPPING (Hong Kong) Group and the Group (each deducting the revenue generated from the transactions between the COSCO SHIPPING (Hong Kong) Group and the Group) in the most recent five consecutive financial years before the entering of the COSCO SHIPPING HK Management Services Master Agreement in the average total consolidated revenue of COSCO SHIPPING (Hong Kong) in the same period. Based on factors such as the inflation rate most recently published by the National Bureau of Statistics of China and the changes in the remuneration level of the Company's employees and other management costs, the Company is entitled to make corresponding adjustments to the management fees regularly, such adjustments to be determined through negotiation between the COSCO SHIPPING (Hong Kong) Group and the Company. In determining the mark-up rate, the Company will, upon research, take into account the market's affordability and/or the rates generally accepted by tax authorities and/or transfer pricing rules and the scopes, types and scales of the services. The mark-up rate shall be determined after arm's length negotiation between the Company and the relevant members of the COSCO SHIPPING (Hong Kong) Group based on normal commercial terms and the rates generally accepted by tax authorities and/or transfer pricing rules. The Company will compare, among other things, the terms of the provision of similar services in the same or nearby areas by independent third parties in the ordinary course of business to ensure that the fees which the Company charges the COSCO SHIPPING (Hong Kong) Group will be calculated in accordance with the actual market circumstances (such as through conducting transfer pricing comparability analysis to calculate the arm's length range of mark-up rates using the mark-up rates adopted by independent third parties, so as to ensure that the mark-up rate adopted will be within such range). The aggregate amount of COSCO SHIPPING HK Management Services Continuing Connected Transactions for each of the financial years ending 31 December 2023, 2024 and 2025 would not exceed HK\$130,000,000, HK\$140,000,000 and HK\$150,000,000 respectively (the "COSCO SHIPPING HK Management Services Caps"). The COSCO SHIPPING HK Management Services Master Agreement and the COSCO SHIPPING HK Management Services Caps were exempt from shareholders' approval requirement under Chapter 14A of the Listing Rules, details of which were disclosed in the announcement of the Company dated 30 December 2022.

The amount of the COSCO SHIPPING HK Management Services Continuing Connected Transactions for the financial year ended 31 December 2025 was HK\$104,303,187.

The price and the terms of the Continuing Connected Transactions with COSCO SHIPPING Group have been determined in accordance with the pricing policies disclosed in the announcements of the Company dated 18 October 2022, 8 November 2022 and 12 September 2024 and the circular of the Company dated 14 November 2022. The price and the terms of the COSCO SHIPPING HK Management Services Continuing Connected Transactions have been determined in accordance with the pricing policies disclosed in the announcement of the Company dated 30 December 2022. As set out in notes 34(a)(i), 34(a)(ii), 34(a)(iii), 34(a)(iv), 34(a)(v), 34(a)(vi), 34(a)(vii), 34(a)(viii), 34(b)(i), 34(b)(ii), 34(b)(iii), 34(b)(iv), 34(b)(v), 34(b)(vi) and 34(b)(viii) to the financial statements, certain related party transactions of the Group also constituted continuing connected transactions of the Group as disclosed above.

The Independent Non-executive Directors had reviewed (1) the Supply Continuing Connected Transactions; (2) the Financial Services Continuing Connected Transactions; (3) the Purchase Continuing Connected Transactions; (4) the Management Services Continuing Connected Transactions; (5) the Tenancy Continuing Connected Transactions; and (6) the COSCO SHIPPING HK Management Services Continuing Connected Transactions (collectively the "Group's Continuing Connected Transactions") and were of the opinion that the Group's Continuing Connected Transactions for the financial year ended 31 December 2025 had been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

For the purposes of Rule 14A.56 of the Listing Rules in relation to the Group's Continuing Connected Transactions, the Board engaged the auditor of the Company to report on the Group's Continuing Connected Transactions for the year ended 31 December 2025 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company has issued an unqualified letter containing the findings and conclusions in respect of the Group's Continuing Connected Transactions for the year ended 31 December 2025 in accordance with Rule 14A.56 of the Listing Rules. A copy of aforesaid auditor's letter has been provided by the Company to the Stock Exchange.

2. Renewal of the Existing Continuing Connected Transactions

1. The Master Supply Agreement, the Financial Services Master Agreement, the Master Purchase Agreement, the Management Services Master Agreement and the Master Tenancy Agreement would expire on 31 December 2025 and it is expected that the Group will continue to enter into transactions of a nature similar to the transactions under those agreements from time to time thereafter. Therefore, in view of the above and in order to accommodate certain new businesses between certain parties, on 30 October 2025, the New Master Supply Agreement, the New Financial Services Master Agreement, the New Master Purchase Agreement, the New Management Services Master Agreement and the New Master Tenancy Agreement were entered into by the Company.
 - (a) A new master supply agreement was entered into between the Company and COSCO SHIPPING (Hong Kong) Co. Limited, the immediate holding company of the Company, being the connected person of the Company ("COSCO SHIPPING (Hong Kong)") on 30 October 2025 in relation to (1) provision of marine and general insurance brokerage services and other services by the relevant member(s) of the Group to the relevant member(s) of 中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited), the ultimate holding company of the Company ("COSCO SHIPPING") and its subsidiaries and associates (other than the Group), being connected persons of the Company ("COSCO SHIPPING Group"); and (2) provision of shipping services, sale of shipping related materials and products and sale of other materials and products by the relevant member(s) of the Group to the relevant member(s) of COSCO SHIPPING Group, including without limitation: (a) the provision of ship agency services in relation to shipbuilding, ship trading, chartering businesses and the sale and purchase of marine equipment and other related services and the provision of intelligent shipping services; (b) the provision of supply and installation, repair, logistics and agency services in relation to (i) ship facilities and accessories, which include equipment, materials, spare parts for vessels, oil drills, projects at sea or on land and ports, (ii) radio communication, satellite communication, navigation equipment and other materials, and (iii) construction materials and facilities, chemicals and information management systems; and (c) the sale of coatings (collectively the "New Supply Continuing Connected Transactions") for the three financial years ending 31 December 2028 (the "New Master Supply Agreement"). The transactions contemplated under the New Master Supply Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis and the service fees, commission, brokerage income and the consideration for the sale of materials and products shall be at market rates or rates no less favourable to the relevant member(s) of the Group than those available to independent third parties. The

amount of service fees payable by COSCO SHIPPING Group under the New Master Supply Agreement will be mainly determined by pre-determined formulae adopted by the Group. In particular, (i) the insurance brokerage services; (ii) the ship agency services; (iii) most of the intelligent shipping services (such as those relating to spare parts); and (iv) the supply and installation, repair, logistics and agency services will be charged at certain fixed percentages of the value of the subject matter. By way of example, (i) the insurance brokerage services will be calculated by multiplying the premium by a certain fixed percentage; and (ii) the provision of ship trading services in relation to shipbuilding will be calculated by multiplying the price of the vessel by a certain fixed percentage. For some other intelligent shipping services (such as those relating to fuel), the amount of service fees will be calculated at fixed per unit consideration of the subject matter. In each case, the fixed percentages or fixed per unit consideration (as the case may be) shall not be lower than the market rates for comparable services as determined in the manner set out below. The amount of service fees adopting other pricing policies, if any, is expected to be minimal. The prices for sale of materials and products offered to COSCO SHIPPING Group shall not be lower than the market rates for similar materials and products (based on similar amount and similar specifications) as determined in the manner set out below. For the purpose of determining the market rates for services fees and the prices for sale of materials and products, the relevant sales department of the related companies within the Group will consider (for service fees) the certain fixed percentages of the value, or the fixed per unit consideration, of the subject matter at which the provision of comparable services to independent third party customers is charged and (for prices for sale of materials and products) the prices offered to independent third party customers in respect of similar types of materials and products (based on similar amount and similar specifications) respectively and compare to those offered to COSCO SHIPPING Group. In particular, at least three independent third party customers will be used for comparison. The aggregate amount of the New Supply Continuing Connected Transactions for each of the financial years ending 31 December 2026, 2027 and 2028 would not exceed the relevant cap amounts set out in the table headed "New Caps with COSCO SHIPPING Group" (the "New Supply Caps").

- (b) A new financial services master agreement was entered into between the Company and 中遠海運集團財務有限公司 (COSCO SHIPPING Finance Co. Limited*), a subsidiary of COSCO SHIPPING, being a connected person of the Company ("COSCO SHIPPING Finance") on 30 October 2025 in relation to the provision of a range of financial services, including the deposit services, loan services (except for loans to be secured by the assets of the relevant member(s) of the Group), clearing services, remittance services, entrusted loan services (as lending agent in entrusted loan arrangements among members of the Group), acceptance bill issuance services, foreign exchange services, and other services which may be provided by COSCO SHIPPING Finance as approved by 國家金融監督管理總局 (National Financial Regulatory Administration) (the "NFRA"), by COSCO SHIPPING Finance to the Group (collectively the "New Financial Services Continuing Connected Transactions") for the three financial years ending 31 December 2028 (the "New Financial Services Master Agreement"). The transactions contemplated under the New Financial Services Master Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis and the terms of the transactions (including the interest receivable by the Group and the fees (including the service fees and handling charges) payable by the Group) shall be at market rates or rates no less favourable than those offered by COSCO SHIPPING Finance to independent third parties or those offered to the relevant member(s) of the Group by independent third parties (as appropriate). The interest payable to or receivable by the Group (as appropriate) or service fees payable by the Group for the services are (a) subject to compliance with the interest rate policies of the People's Bank of China (the "PBOC"), the interest rate for such deposit services shall (i) be no lower than, no less favourable than, and determined on an arm's length basis with reference to, the market interest rates (being the interest rates offered by at least three independent third party commercial banks and/or financial institutions providing the same type of deposit services on normal commercial terms in their ordinary course of business in the same or nearby service area); and (ii) be determined also with reference to the interest rates offered by COSCO SHIPPING Finance to COSCO SHIPPING and other companies of which COSCO SHIPPING is the controlling shareholder with the same qualities for the same type of deposit in the same period of time; (b) subject to compliance with the interest rate policies of the PBOC, the interest rate for the loan services shall (i) be no higher than and determined on an arm's length basis with reference to, the market interest rates (being the interest rates charged by at least three independent

* for identification purposes only

third party commercial banks and/or financial institutions providing the same type of loan services on normal commercial terms in their ordinary course of business in the same or nearby service area); and (ii) be determined also with reference to the interest rates charged by COSCO SHIPPING Finance to COSCO SHIPPING and other companies of which COSCO SHIPPING is the controlling shareholder with the same qualities for the same type of loan in the same period of time; (c) no service fee will be charged by COSCO SHIPPING Finance in relation to clearing services; and (d) service fees for other services (including but not limited to foreign exchange services) shall be (i) no higher than the fee standards prescribed by the PBOC or the NFRA for the same type of financial services; (ii) no higher than those charged by at least three independent third party commercial banks in the PRC for services of similar nature; and (iii) no higher than those charged by COSCO SHIPPING Finance to COSCO SHIPPING and other companies of which COSCO SHIPPING is the controlling shareholder for similar services. The aggregate amount of the New Financial Services Continuing Connected Transactions for each of the financial years ending 31 December 2026, 2027 and 2028 would not exceed the relevant cap amounts set out in the table headed "New Caps with COSCO SHIPPING Group" (the "New Financial Services Caps").

- (c) A new master purchase agreement was entered into between the Company and COSCO SHIPPING (Hong Kong) on 30 October 2025 in relation to the provision of shipping and other services, sale of shipping related materials and products and sale of other materials and products by the relevant member(s) of COSCO SHIPPING Group to the relevant member(s) of the Group, including without limitation: (a) the provision of agency services, technical services and ancillary services, including the collection of market information, technical advisory, promotion and marketing, coordination with suppliers and customers, purchase of raw materials and products from suppliers, the provision of assistance in collecting sale proceeds and the procurement or provision of certain after-sale services; (b) the provision of logistics, transportation and business travel services; (c) the sale of other materials and products including construction materials and chemicals; (d) the solicitation and referral of businesses by COSCO SHIPPING Group to the Group, including recommending products manufactured by the Group to the customers and manufacturers of COSCO SHIPPING Group; and (e) the sale of shipping related materials and products (collectively the "New Purchase Continuing Connected Transactions") for the three financial years ending 31 December 2028 (the "New Master Purchase Agreement"). The transactions contemplated under the New Master Purchase Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis and the service fees, commission and the consideration for the purchase of materials and products shall be at market rates or rates no less favourable to the relevant member(s) of the Group than those available from independent third parties. Different pricing policies will be used for different types of services to be provided by COSCO SHIPPING Group to the Group under the New Master Purchase Agreement. Part of the services provided by COSCO SHIPPING Group will be charged by adopting pre-determined formulae (for example, provision of agency services, technical services and ancillary services and solicitation and referral of businesses will be charged at certain fixed percentages (which shall not be higher than the market rates for comparable services as determined in the manner set out below) of the value of the subject matter). The remaining services will be charged by COSCO SHIPPING Group at fixed per unit consideration (including premium (if any)) (for example, provision of logistics, transportation and business travel services will be charged at a fixed per unit price (including premium (if any)) (which shall not be higher than the market rates for comparable services as determined in the manner set out below) based on the quantity of the subject matter involved and the distance of the destination and location. The prices for the sale of materials and products including construction materials and chemicals to be charged by COSCO SHIPPING Group shall not be higher than the market rates for similar materials and products (based on similar amount and similar specifications) as determined in the manner set out below. For the purpose of determining the market rates for service fees and the prices for sale of materials and products, the relevant purchasing department of the related companies within the Group will obtain quotations from at least three independent third party suppliers in respect of (for service fees) the fixed percentages of the value of the subject matter or the fixed per unit consideration (including premium (if any)) (as the case may be) at which the provision of comparable services is charged and (for prices for sale of materials and products) the prices for similar types of materials and products (based on similar amount and similar specifications) respectively for comparison. The aggregate amount of the New Purchase Continuing Connected Transactions for each of the financial years ending 31 December 2026, 2027 and 2028 would not exceed the relevant cap amounts set out in the table headed "New Caps with COSCO SHIPPING Group" (the "New Purchase Caps").

- (d) A new management services master agreement was entered into between the Company and COSCO SHIPPING (Hong Kong) on 30 October 2025 in relation to the provision of administrative services including information technology and office communication network support, business management and manpower resources (including without limitation manpower resources with expertise and experience in the business carried on by the Group from time to time and management of human resources), technical support and other administrative and ancillary support (including without limitation sharing of office premises, office equipment, network and communication system, information technology, other technical support, system management, financial system and maintenance) by the relevant member(s) of COSCO SHIPPING Group to the relevant member(s) of the Group and sharing of office premises by the relevant member(s) of the Group (collectively the "New Management Services Continuing Connected Transactions") for the three financial years ending 31 December 2028 (the "New Management Services Master Agreement"). The transactions contemplated under the New Management Services Master Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis. The management fee shall be calculated based on either (a) the Group's prorated share of the common administrative costs which shall be determined based on the statistics of time-sharing of the workload of staff members shared by the Group and COSCO SHIPPING Group or the utilisation rate of the office support functions and network systems (depending on the type of management services which are provided) and the actual costs, expenses and disbursements incurred by COSCO SHIPPING Group in the course of its provision of the administrative services to the Group; or (b) fixed per unit consideration. This shall take into account the historical usage of administrative services by the Group provided by COSCO SHIPPING Group in the past two to three years with reference to the statistics of time-sharing of the workload of staff members shared by the Group and the utilisation rate of the office support functions and network systems and sharing of office premises (depending on the type of management services which are provided) and the actual costs, expenses and disbursements incurred by COSCO SHIPPING Group in the course of its provision of the administrative services to the Group. The fixed per unit consideration (subject to annual adjustment by inflation rate depending on the type of management services which are provided) will then be used to determine the annual services fees to be paid by the Group. The Group will consider the fees offered to be charged by independent third parties in respect of similar services and compare to those offered by COSCO SHIPPING Group. In particular, the relevant department of the related companies within the Group will obtain quotations from at least three independent third party service providers in respect of the fixed per unit consideration at which the management fees of similar services will be calculated for comparison. The aggregate amount of the New Management Services Continuing Connected Transactions for each of the financial years ending 31 December 2026, 2027 and 2028 would not exceed the relevant cap amounts set out in the table headed "New Caps with COSCO SHIPPING Group" (the "New Management Services Caps").
- (e) A new master tenancy agreement was entered into between the Company and COSCO SHIPPING (Hong Kong) on 30 October 2025 in relation to leasing or sub-leasing of any of the properties owned by or leased to COSCO SHIPPING Group from time to time by the relevant member(s) of COSCO SHIPPING Group to the relevant member(s) of the Group (collectively the "New Tenancy Continuing Connected Transactions") at any time during the period from 1 January 2026 to 31 December 2028 (the "New Master Tenancy Agreement"). The transactions contemplated under the New Master Tenancy Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis. The rent and other fees and charges payable by the Group to COSCO SHIPPING Group will be determined on fixed per unit consideration. The Group will consider the rental offered to be charged by independent third parties in respect of similar properties (based on similar location and similar area) and compare to those offered by COSCO SHIPPING Group. In particular, the relevant department of the related companies within the Group will obtain quotations from at least three independent third parties in respect of the rental for similar properties (based on similar location and similar area) for comparison. The aggregate amount of the New Tenancy Continuing Connected Transactions for each of the financial years ending 31 December 2026, 2027 and 2028 would not exceed the relevant cap amounts set out in the table headed "New Caps with COSCO SHIPPING Group" (the "New Tenancy Caps").

The New Master Purchase Agreement, the New Management Services Master Agreement, the New Master Tenancy Agreement, the New Purchase Caps, the New Management Services Caps and the New Tenancy Caps were exempt from shareholders' approval requirement under Chapter 14A of the Listing Rules, details of which were disclosed in the announcements of the Company dated 30 October 2025. The New Master Supply Agreement, the New Financial Services Master Agreement, the New Supply Caps and the New Financial Services Caps were approved by the independent shareholders at the special general meeting of the Company held on 23 December 2025, details of which were disclosed in the announcement dated 30 October 2025 and circular of the Company dated 27 November 2025 respectively.

New Caps with COSCO SHIPPING Group

	Caps for the year ending 31 December 2026	Caps for the year ending 31 December 2027	Caps for the year ending 31 December 2028
Aggregate amount receivable by the Group from COSCO SHIPPING Group for transactions contemplated under the New Master Supply Agreement	HK\$3,112,000,000	HK\$3,279,000,000	HK\$3,467,000,000
Amount of daily cash balance(s) of all cash deposits accounts of member(s) of the Group maintained with COSCO SHIPPING Finance (together with interests accrued thereon) and all fees (including service fees and handling charges for the clearing services, remittance services, entrusted loan services, acceptance bill issuance services, foreign exchange services, and other services which may be provided by COSCO SHIPPING Finance as approved by the NFRA) payable by the Group to COSCO SHIPPING Finance for transactions (except transactions in connection with the provision of loan services) contemplated under the New Financial Services Master Agreement	RMB810,000,000	RMB815,000,000	RMB820,000,000
Amount of daily outstanding balance(s) of all loan accounts of the member(s) of the Group maintained with COSCO SHIPPING Finance (together with interests accrued thereon) and all service fees and handling charges for the loan services payable by the Group to COSCO SHIPPING Finance for loan transactions contemplated under the New Financial Services Master Agreement*	RMB150,000,000	RMB170,000,000	RMB200,000,000
Aggregate amount payable by the Group to COSCO SHIPPING Group for transactions contemplated under the New Master Purchase Agreement	HK\$70,000,000	HK\$82,000,000	HK\$97,000,000
Aggregate amount payable by the Group to COSCO SHIPPING Group for transactions contemplated under the New Management Services Master Agreement	HK\$57,000,000	HK\$61,000,000	HK\$66,000,000
Aggregate amount payable by the Group to COSCO SHIPPING Group (being the annual aggregate maximum amount of rent and other fees and charges payable by the Group to COSCO SHIPPING Group) for transactions contemplated under the New Master Tenancy Agreement	HK\$48,000,000	HK\$51,000,000	HK\$54,000,000

* As the loan transactions under the New Financial Services Master Agreement would be conducted on normal commercial terms or terms better to the Group and they would not be secured by the assets of the Group, pursuant to Rule 14A.90 of the Listing Rules, the loan transactions contemplated under the New Financial Services Master Agreement are fully exempt from shareholders' approval and annual review requirements.

2. The COSCO SHIPPING HK Management Services Master Agreement would expire on 31 December 2025 and it is expected that the Group will continue to enter into transactions of a nature similar to the transactions under the COSCO SHIPPING HK Management Services Master Agreement from time to time thereafter. In view of the above, on 30 December 2025, a new COSCO SHIPPING HK management services master agreement was entered into between the Company, COSCO SHIPPING (Hong Kong) and COSCO SHIPPING (the "New COSCO SHIPPING HK Management Services Master Agreement") in relation to the provision of certain management services by the Company regarding the day-to-day business operations and management of COSCO SHIPPING (Hong Kong), its subsidiaries and its associates (excluding those relating to the Group and Piraeus Port Authority S.A.) ("COSCO SHIPPING (Hong Kong) Group") (collectively the "New COSCO SHIPPING HK Management Services Continuing Connected Transactions") for the three financial years ending 31 December 2028. The management fee to be received by the Company shall be negotiated at arm's length between the Company and the relevant member of COSCO SHIPPING (Hong Kong) Group and at a price determined on a "cost-plus" basis which is based on the costs arising recurrently in the course of entrustment (including the costs of human resources, expertise and resources) plus a mark-up rate as agreed after arm's length negotiations between the Company and the relevant members of COSCO SHIPPING (Hong Kong) Group. The costs of provision of management services will depend on the resources required to be devoted by the Company, including business management and human resources (including but not limited to human resources with the expertise and experience in the businesses conducted by the Company from time to time and human resource management), technical support and other administrative and related supporting administrative services. The apportionment of such costs between the COSCO SHIPPING (Hong Kong) Group and the Company will depend on the division(s) of the Company incurring the costs. In practice, the costs will in general be apportioned in the following manner: (a) if a certain division provides services exclusively for a member of the COSCO SHIPPING (Hong Kong) Group, all costs incurred by that division will be apportioned to that member; (b) if, based on the main responsibilities of the division and the nature of the services provided, the COSCO SHIPPING (Hong Kong) Group and the Company expect that the workload of a division will be attributable to the COSCO SHIPPING (Hong Kong) Group and the Company in a certain proportion such that they agree to apportion the costs incurred by that division between the COSCO SHIPPING (Hong Kong) Group and the Company according to such proportion, then the costs incurred by that division will be apportioned accordingly; and (c) in any other case, the costs incurred by a division will be apportioned between the COSCO SHIPPING (Hong Kong) Group and the Company according to the proportion of the respective average consolidated revenues of the COSCO SHIPPING (Hong Kong) Group and the Group (each deducting the revenue generated from the transactions between the COSCO SHIPPING (Hong Kong) Group and the Group) in the most recent five consecutive financial years before the entering of the New COSCO SHIPPING HK Management Services Master Agreement in the average total consolidated revenue of COSCO SHIPPING (Hong Kong) in the same period. Based on factors such as the inflation rate most recently published by the National Bureau of Statistics of China and the changes in the remuneration level of the Company's employees and other management costs, the Company is entitled to make corresponding adjustments to the management fees regularly, such adjustments to be determined through negotiation between the COSCO SHIPPING (Hong Kong) Group and the Company. In determining the mark-up rate, the Company will, upon research, take into account the market's affordability and/or the rates generally accepted by tax authorities and/or transfer pricing rules and the scopes, types and scales of the services. The mark-up rate shall be determined after arm's length negotiation between the Company and the relevant members of the COSCO SHIPPING (Hong Kong) Group based on normal commercial terms and the rates generally accepted by tax authorities and/or transfer pricing rules. The Company will compare, among other things, the terms of the provision of similar services in the same or nearby areas by independent third parties in the ordinary course of business to ensure that the fees which the Company charges the COSCO SHIPPING (Hong Kong) Group will be calculated in accordance with the actual market circumstances (such as through conducting transfer pricing comparability analysis to calculate the arm's length range of mark-up rates using the mark-up rates adopted by independent third parties, so as to ensure that the mark-up rate adopted will be within such range). The aggregate amount of New COSCO SHIPPING HK Management Services Continuing Connected Transactions for each of the financial years ending 31 December 2026, 2027 and 2028 would not exceed HK\$160,000,000, HK\$170,000,000 and HK\$180,000,000 respectively (the "New COSCO SHIPPING HK Management Services Caps"). The New COSCO SHIPPING HK Management Services Master Agreement and the New COSCO SHIPPING HK Management Services Caps were exempt from shareholders' approval requirement under Chapter 14A of the Listing Rules, details of which were disclosed in the announcement of the Company dated 30 December 2025.

3. Connected Transaction

On 5 January 2026, the Company, 中遠海運科技股份有限公司 (COSCO SHIPPING Technology Co., Ltd.*) ("COSCO SHIPPING Technology") and 中遠海運綠色數智船舶服務有限公司 (COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.*) ("COSCO SHIPPING Smart-Sailing") entered into the capital increase agreement ("Capital Increase Agreement"), pursuant to which the Company and COSCO SHIPPING Technology shall make additional capital contribution to COSCO SHIPPING Smart-Sailing in the following manner: (a) the Company shall transfer all its 100% equity interests in Yuantong Marine Service Co. Limited ("Yuantong") (a wholly-owned subsidiary of the Company) to COSCO SHIPPING Smart-Sailing; and (b) COSCO SHIPPING Technology shall transfer the SMART SAILING Platform (the SMART SAILING Platform launched by COSCO SHIPPING Technology, being technological products designed and developed by COSCO SHIPPING Technology) and make a cash contribution of RMB213,010,416 to COSCO SHIPPING Smart-Sailing. Upon completion of the capital increase of COSCO SHIPPING Smart-Sailing (the "Capital Increase"), the Company's equity interests in COSCO SHIPPING Smart-Sailing will increase from 51% to 80% whereas COSCO SHIPPING Technology's equity interests in COSCO SHIPPING Smart-Sailing will decrease from 49% to 20%; COSCO SHIPPING, being the ultimate holding company of the Company, is a connected person of the Company. COSCO SHIPPING Technology, being a subsidiary and hence an associate of COSCO SHIPPING, is therefore a connected person of the Company at the issuer level. Given that (i) COSCO SHIPPING Smart-Sailing is a non-wholly owned subsidiary of the Company and (ii) COSCO SHIPPING Technology is a connected person of the Company at the issuer level holding more than 10% of the equity interests in COSCO SHIPPING Smart-Sailing, COSCO SHIPPING Smart-Sailing is a connected subsidiary of the Company under Rule 14A.16(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and hence a connected person of the Company. Accordingly, the Injection (being a disposal of 100% equity interest in Yuantong by the Company and an acquisition of the same by COSCO SHIPPING Smart-Sailing) constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Injection exceeds 5% but is less than 25%, the Injection constitutes (i) a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The capital contribution of COSCO SHIPPING Technology by way of transfer of the SMART SAILING Platform and cash contribution to COSCO SHIPPING Smart-Sailing, a subsidiary of the Company, constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of such capital contribution exceed 0.1% but are less than 5%, such capital contribution is only subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. The Acquisition (being an acquisition by the Company of further equity interests in COSCO SHIPPING Smart-Sailing as a result of the Capital Increase) constitutes a transaction between the Company and COSCO SHIPPING Technology, a connected person of the Company, and hence a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes (i) a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 5 January 2026 and the circular of the Company dated 13 February 2026. The resolution of Capital Increase Agreement and the transactions contemplated thereunder was approved by the affirmative votes of the Independent Shareholders at the special general meeting of the Company held on 12 March 2026.

* for identification purposes only

RELATED PARTY TRANSACTIONS

Material related party transactions of the Group are set out in note 34 to the financial statements. In relation to those related party transactions that also constituted connected transactions or continuing connected transactions of the Group as defined in the Listing Rules, the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules had been complied with.

SHARE OPTION INCENTIVE SCHEME

The Company's share option incentive scheme has been adopted by the Shareholders at the special general meeting on 9 April 2020 (the "Share Option Incentive Scheme").

On 28 April 2020, the Board was of the view that all the conditions of the grant of options had been fulfilled, and determined to grant an aggregate of 23,830,000 share options to 71 eligible participants, and had handled all necessary issues regarding the grant of share options.

Subsequent to the abovementioned grant of share options, the Company had granted an aggregate of 2,460,000 share options to 8 eligible participants on 6 October 2020 and an aggregate of 1,370,000 share options to 5 eligible participants on 7 April 2021, and had handled all necessary issues regarding the grant of share options.

For details of the Share Option Scheme and each grant, please refer to the circular of the Company dated 24 March 2020 and announcements of the Company dated 28 April 2020, 6 October 2020 and 7 April 2021 respectively.

Summary of the Share Option Incentive Scheme disclosed in accordance with the Listing Rules is as follows:

1. Purposes of the Share Option Incentive Scheme

The purposes of the Share Option Incentive Scheme are, among other things,

- (a) to further refine the Company's corporate governance structure, unify the interest-balancing mechanism among the Shareholders, decision-makers and executives of the Company and closely bind the remuneration income of senior management personnel and key personnel of the Company with the performance of Shareholders' value so as to make the behaviour of the Participants consistent with the strategic objectives of the Company, maximise Shareholders' value and preserve and increase the value of state-owned assets;
- (b) to establish and improve the long-term incentive and control system of the Company and, through linking the Company's long-term performance, strengthen the sense of mission and responsibility of the senior management and key personnel in achieving the sustainable and healthy development of the Company, and focus on and carry forward the Company's mid-to-long term strategic orientation to promote the implementation of the long-term development strategies of the Company; and
- (c) to further strengthen cohesion of the Company, enhance the Company's competitive position in the labour market, and attract, retain and incentivise senior management and key personnel of the Company required for achieving the strategic targets of the Company, promote the realisation of the long-term strategic targets of the Company and serve as a driving force for the Company's long-term development.

2. Participants of the Share Option Incentive Scheme

- (a) the senior management who plays a leading role in the mid-to-long term performance development of the Company;
- (b) the middle management who plays an important role in improving the specific business development and internal management efficiency of the Company; and
- (c) core management and key personnel in business operations who have direct impact on the operating performance and sustainable development of the Company.

3. Total number of Shares available for issue under the Share Option Incentive Scheme

The total number of ordinary shares of the Company (the "Shares") which may be issued upon exercise of all share options to be granted under the Share Option Incentive Scheme approved on 9 April 2020 is 30,660,000, being approximately 2% of the issued share of the Company as at the said date.

As at the date of the Report, a total of 7,822,280 Shares representing approximately 0.53% of the issued shares of the Company may be issued upon exercise of all share options which had been granted and yet to be exercised under the Share Option Incentive Scheme.

As at the date of the Report, no further share option could be granted under the Share Option Incentive Scheme.

4. Maximum entitlement of each participant under the Share Option Incentive Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the share options under the Share Option Incentive Scheme and other share option incentive schemes of the Company (including both exercised and outstanding options) to each Participant shall not exceed 1% of the Shares in issue. The number of Share Options to be granted to each Participant shall be determined on the basis that the estimated value of the Share Options granted will not exceed 40% of his/her total annual emoluments when the Share Options are granted (inclusive of the estimated value of the Share Options granted).

The number of Share Options to be granted to each Participant may be adjusted according to the need for corporate management and the performance appraisal result of such Participant. The number of Share Options to be granted to each Participant and their exercise price are subject further to any adjustments so as to comply with the relevant regulations and rules then in force.

5. Period within which option may be exercised by the grantee under the Share Option Incentive Scheme

The Company granted an aggregate of 23,830,000 share options to certain directors of the Company and certain employees of the Group to subscribe for a total of 23,830,000 shares at a price of HK\$2.26 per share on 28 April 2020 under the Share Option Incentive Scheme. Subject to the fulfilment of the relevant conditions, including the satisfaction of both the Company's performance conditions and Participant's performance conditions, these share options granted are exercisable from 28 April 2022 to 27 April 2026 in batches.

The Company granted an aggregate of 2,460,000 share options to certain employees of the Group to subscribe for a total of 2,460,000 shares at a price of HK\$2.184 per share on 6 October 2020 under the Share Option Incentive Scheme. Subject to the fulfilment of the relevant conditions, including the satisfaction of both the Company's performance conditions and Participant's performance conditions, these share options granted are exercisable from 6 October 2022 to 5 October 2026 in batches.

The Company granted an aggregate of 1,370,000 share options to certain employees of the Group to subscribe for a total of 1,370,000 shares of the Company at a price of HK\$2.72 per share on 7 April 2021 under the Share Option Incentive Scheme. Subject to the fulfilment of the relevant conditions, including the satisfaction of both the Company's performance conditions and Participant's performance conditions, these share options granted are exercisable from 7 April 2023 to 6 April 2027 in batches.

Each batch of the above share options is exercisable within the periods stated as follows: (a) 33.3% of the share options will be exercisable commencing on the first trading day after the expiration of the 24-month period (the second anniversary) from the respective dates of grant and ending on the last trading day of the 36-month period from the respective dates of grant; (b) 33.3% of share options will be exercisable commencing on the first trading day after the expiration of the 36-month period (the third anniversary) from the respective dates of grant and ending on the last trading day of the 48-month period from the respective dates of grant; and (c) 33.4% of the share options will be exercisable commencing on the first trading day after the expiration of the 48-month period (the fourth anniversary) from the respective dates of grant and ending on the last trading day of the 72-month period from the respective dates of grant.

6. Vesting period of options granted under the Share Option Incentive Scheme

The vesting period of the share option under the Share Option Incentive Scheme shall be regarded as the period during which the share options are exercisable subsequent to the date of grant, details of which were disclosed in item 5 above.

7. Amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

The share option shall be deemed to have been accepted when the duplicate letter is duly signed by the grantee. To the extent that the offer is not accepted within specific period of time in the manner aforesaid, it will be deemed to have been irrevocably declined.

8. Basis of determining the exercise price of options granted

The exercise price is determined based on the principle of fair market value. The exercise price shall be the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of Share.

9. Remaining life of the Share Option Incentive Scheme

The Share Option Incentive Scheme shall be valid and effective for a period of 10 years from the date it becomes effective. The period within which the underlying Shares must be taken up under the Share Options is 6 years from the relevant date of grant.

Share Options

Details of the movements of the share options granted under the Share Option Incentive Scheme during the year are set out below:

Category	Exercise Price (HK\$)	Outstanding	Granted during the Year	Category	Exercised during the Year	Lapsed during the Year	Cancelled during the Year	Date of grant	Outstanding	Approximate percentage of total number of issued Shares as at	Exercise period	Notes
		as at 1 January 2025		changed during the Year					as at 31 December 2025	31 December 2025		
Ex-Director												
Ms. Meng Xin*	2.26	156,980	—	(156,980)	—	—	—	28/4/2020	—	—	28/4/2024–27/4/2026	1, 4, 5
		156,980	—	(156,980)	—	—	—		—			
Continuous contract employees and others												
	2.26	6,506,320	—	156,980	—	—	—	28/4/2020	6,663,300	0.45%	28/4/2024–27/4/2026	1, 4, 5
	2.184	701,400	—	—	—	—	—	6/10/2020	701,400	0.047%	6/10/2024–5/10/2026	2, 4, 5
	2.72	456,210	—	—	—	(456,210)	—	7/4/2021	—	—	7/4/2024–6/4/2025	3, 4, 5, 10
	2.72	457,580	—	—	—	—	—	7/4/2021	457,580	0.03%	7/4/2025–6/4/2027	3, 4, 5
		8,278,490	—	—	—	(456,210)	—		7,822,280			

* Ms. Meng Xin resigned as Executive Director on 24 January 2025

Notes:

- The share options were granted on 28 April 2020 under the Share Option Incentive Scheme at an exercise price of HK\$2.26 per Share. Subject to the fulfilment of the relevant vesting conditions, share option will be vested in batches after the expiry of the respective restriction period, i.e. (a) 33.3% of the share options be vested on 28 April 2022; (b) 33.3% of the share options be vested on 28 April 2023; (c) 33.4% of the share options be vested on 28 April 2024.
- The share options were granted on 6 October 2020 under the Share Option Incentive Scheme at an exercise price of HK\$2.184 per Share. Subject to the fulfilment of the relevant vesting conditions, share option will be vested in batches after the expiry of the respective restriction period, i.e. (a) 33.3% of the share options be vested on 6 October 2022; (b) 33.3% of the share options be vested on 6 October 2023; (c) 33.4% of the share options be vested on 6 October 2024.
- The share options were granted on 7 April 2021 under the Share Option Incentive Scheme at an exercise price of HK\$2.72 per Share. Subject to the fulfilment of the relevant vesting conditions, share option will be vested in batches after the expiry of the respective restriction period, i.e. (a) 33.3% of the share options be vested on 7 April 2023; (b) 33.3% of the share options be vested on 7 April 2024; (c) 33.4% of the share options be vested on 7 April 2025.

- 4 Pursuant to the Share Option Incentive Scheme, these share options are exercisable subject to the fulfilment of the relevant conditions in batches and each batch of such share options is exercisable within the periods stated as follows: (a) 33.3% of the share options will be exercisable commencing on the first trading day after the expiration of the 24-month period (the second anniversary) from the respective dates of grant and ending on the last trading day of the 36-month period from the respective dates of grant; (b) 33.3% of share options will be exercisable commencing on the first trading day after the expiration of the 36-month period (the third anniversary) from the respective dates of grant and ending on the last trading day of the 48-month period from the respective dates of grant; and (c) 33.4% of the share options will be exercisable commencing on the first trading day after the expiration of the 48-month period (the fourth anniversary) from the respective dates of grant and ending on the last trading day of the 72-month period from the respective dates of grant.
- 5 These share options represent personal interests held by the participant(s) as beneficial owner(s).
- 6 During the year ended 31 December 2025, no share options were exercised under the Share Option Incentive Scheme.
- 7 Save as disclosed above, no share options were lapsed or cancelled under the Share Option Incentive Scheme during the year ended 31 December 2025.
- 8 The fair values of the share options granted are estimated based on the Binomial Option Pricing Model, and such fair values and significant inputs into the model are as follows:

	Fair value of share options (HK\$)	Share price at date of grant (HK\$)	Exercise price (HK\$)	Standard deviation of expected share price return	Expected life of share options	Expected dividend payout ratio	Risk-free interest rate
Share options granted on 28 April 2020	4,372,286	2.26	2.26	21.0%–23.2%	3–6 years	5.5%	0.38–0.41%
Share options granted on 6 October 2020	472,891	2.18	2.184	22.3%–24.2%	3–6 years	5.5%	0.19–0.28%
Share options granted on 7 April 2021	298,722	2.72	2.72	22.5%–24.6%	3–6 years	6.65%	0.34–0.89%

The volatility measured at the standard deviation of expected share price return is based on the historical share price movement of the Company prior to the relevant date of grant. Changes in the subjective input assumptions could materially affect the fair value estimation. The Group recognises the fair value of share options as expenses in the consolidated income statement over the vesting period. The fair value of the share options is measured at the date of grant.

- 9 The closing prices of the Share immediately before the dates on which the share options were granted on 28 April 2020, 6 October 2020 and 7 April 2021 were HK\$2.26, HK\$2.18 and HK\$2.69 respectively.
- 10 The abovementioned lapsed share options were resulted from the expiry of exercise period.
- 11 Throughout the year ended 31 December 2025 (including the beginning and the end of the year), there were no further share options available for grant under the Share Option Scheme.
- 12 At the beginning of the Reporting Period, the total number of shares which may be issued under the Share Option Scheme was 8,278,490 Shares, representing approximately 0.56% of the weighted average number of the Shares in issue during the Reporting Period. Among them, 456,210 share options were lapsed due to the expiry of exercise period during the Reporting Period and 7,822,280 share options were not exercised at the end of the Reporting Period representing approximately 0.03% and 0.53% of the weighted average number of the Shares in issue during the Reporting Period, respectively.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2025, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "Model Code") to be notified to the Company and the Stock Exchange were as follows:

1. Long positions in the underlying shares of equity derivative of the Company

Details are set out in the sub-section headed "Share Options" of "Share Option Incentive Scheme" above.

2. Long positions in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Nature of interest	Total number of ordinary shares of associated corporation held	Approximate percentage of the relevant class of total issued shares of associated corporation
Mr. Kwong Che Keung, Gordon	COSCO SHIPPING Ports Limited	Beneficial Owner	Personal	250,000	0.0075%

Save as disclosed above and in the sub-section headed "Share Options" of "Share Option Incentive Scheme", none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange as at 31 December 2025.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, the following persons and entities, other than Directors or chief executives of the Company, had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Name of Shareholder	Capacity	Nature of interest	Total number of ordinary shares of the Company held	Approximate percentage of total issued shares of the Company
COSCO SHIPPING	Interest of controlled corporation	Corporate interest	1,051,183,486	71.70%
中國海運集團有限公司 (China Shipping Group Company Limited*) ("China Shipping")	Interest of controlled corporation	Corporate interest	1,051,183,486	71.70%
COSCO SHIPPING (Hong Kong)	Beneficial owner	Beneficial interest	1,051,183,486	71.70%

Note: COSCO SHIPPING (Hong Kong) has beneficial interest in 1,051,183,486 shares of the Company. Since COSCO SHIPPING (Hong Kong) is a wholly-owned subsidiary of China Shipping which is in turn a wholly-owned subsidiary of COSCO SHIPPING, the interests of COSCO SHIPPING (Hong Kong) are deemed to be the interests of China Shipping and in turn the interests of China Shipping are deemed to be the interests of COSCO SHIPPING under the SFO.

* for identification purposes only

Save as disclosed above, as at 31 December 2025, the Company has not been notified by any person or entity who had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

PUBLIC FLOAT

As at the date of the Report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float as required under the Listing Rules.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist in Bermuda being the jurisdiction in which the Company is incorporated.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

INDEPENDENT AUDITOR

On 26 March 2025, the Board announced that PricewaterhouseCoopers would retire and not offer themselves for re-appointment upon expiration of its term of office at the conclusion of the annual general meeting of the Company on 30 May 2025 (the "2025 AGM") and that the Board resolved to propose a resolution to appoint SHINEWING (HK) CPA Limited as the auditor of the Company. The proposed appointment of SHINEWING (HK) CPA Limited as auditor of the Company was approved by the Shareholders at the 2025 AGM. Save as disclosed above, the Company did not change its auditor in the preceding three years.

The financial statements for the year have been audited by SHINEWING (HK) CPA Limited, who retire and, being eligible, offer themselves for re-appointment at the 2026 annual general meeting.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

CORPORATE GOVERNANCE

Maintaining high standards of corporate governance has always been one of the Company's priorities. This is achieved through an effective, timely disclosure of information by the Board and a proactive investor relations programme. The Company will continue to implement measures in order to further strengthen its corporate governance and overall risk management.

The Board believed that the Company has complied with all the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix C1 to the Listing Rules during the year ended 31 December 2025, except that (A) Ms. Zhang Xueyan, the Non-executive Director was unable to attend the 2025 AGM due to other business commitment and Mr. Ma Xianghui, the Non-executive Director was unable to attend the special general meeting of the Company held on 23 December 2025 (the "2025 SGM") due to other business commitment, which deviated from the code provision C.1.5 of the CG Code and (B) the roles of Chairman and Managing Director are currently performed by the same individual, Mr. Zhu Changyu, which deviated from the code provision C.2.1 of the CG Code. Regarding the deviation from the code provision C.1.5 of the CG Code, despite the absence of Ms. Zhang Xueyan at the 2025 AGM and Mr. Ma Xianghui at the 2025 SGM, they communicated with the Chairman and/or the senior management of the Company to discuss feedback received from the Shareholders after the general meetings in a bid to develop better and balanced understanding of the views of the Shareholders. Regarding the deviation from code provision C.2.1 of the CG Code, although the roles of the Chairman and the Managing Director of the Company are performed by the same individual, the Board believes that the roles of the Chairman and Managing Director being performed by the same individual will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) all the Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among others, that he/she acts for the benefit and in the best interests of the Company; (ii) the balance of power and authority is ensured by the operations of the Board; and (iii) the overall strategy and other key business, financial and operational policies of the Company are made collectively after thorough discussion at both the Board and senior management of the Company. Save as mentioned above, there is no other matter deviated from the CG Code. The Company aims to continually review and enhance its corporate governance practices in light of best practices.

Directors' Report

The Audit Committee is comprised of three Independent Non-executive Directors and the chairman of which is a certified public accountant. The main duties of the Audit Committee include reviewing the accounting policies and the Company's financial reporting; monitoring the performance of both the internal and external auditors; reviewing and examining the effectiveness of the financial reporting, the risk management and internal control systems; ensuring compliance with applicable statutory accounting and reporting requirements. The Audit Committee has discussed the internal controls and financial reporting matters with management of the Company and reviewed the results announcement and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

The Company has received from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors to be independent.

The Company has adopted a code of conduct regarding securities transactions of Directors and employees (the "Securities Code") no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules. In order to ensure the Directors' dealings in the securities of the Company are conducted in accordance with the Model Code and the Securities Code, a committee was set up to deal with such transactions. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code and the Securities Code during the year ended 31 December 2025, all Directors confirmed that they had complied with the required standards set out in the Model Code and the Securities Code during the year.

All references above to other sections, reports or notes to the financial statements in this annual report form part of the Report.

On behalf of the Board

Zhu Changyu

Chairman and Managing Director

25 March 2026

Independent Auditor's Report



SHINEWING (HK) CPA Limited
17/F., Chubb Tower, Windsor House
311 Gloucester Road, Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

中遠海運國際(香港)有限公司

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of COSCO SHIPPING International (Hong Kong) Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 178 to 253, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to impairment assessment of trade receivables.

Impairment assessment of trade receivables

Refer to notes 2(j), 4(a) and 16 to the consolidated financial statements.

The key audit matter

At 31 December 2025, the Group had gross trade receivables of HK\$463.2 million (2024: HK\$549.1 million), against which a provision for impairment of HK\$33.3 million (2024: HK\$25.1 million) was made.

Provision for impairment of trade receivables reflects management's best estimate to determine the expected credit losses. Trade receivables have been grouped based on shared credit risk characteristics and ageing profile. The expected loss rates are based on the historical credit losses experienced in the past. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

This is a Key Audit Matter because of the magnitude of the trade receivables balance and the significant judgement applied in assessing the allowance for expected credit losses.

How our audit addressed the key audit matter

Our audit procedures in relation to the impairment assessment of trade receivables included:

- Understood, evaluated and tested management's internal controls over credit control process and its basis and methodology of estimation of the amount of impairment provision required for trade receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;
- Assessed the appropriateness of the expected credit loss provisioning methodology;
- Tested, on a sample basis, the key data inputs including the ageing schedule of trade receivables;
- Challenged the assumptions, including both historical and forward-looking information, used to determine the expected credit losses with the involvement of our in-house valuation experts;
- Tested, on a sample basis, the post-year end settlements of trade receivables by agreeing the receivables to the bank receipts as applicable; and
- Assessed the adequacy of the disclosures related to the impairment assessment of trade receivables in the context of HKFRS disclosure requirements.

Based on the procedures performed above, we considered that management's impairment assessment of trade receivables is supportable by available evidence.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed unmodified opinion on those statements on 26 March 2025.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Audit committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act and our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Wang Kei.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Cheung Wang Kei

Practising Certificate Number: P07788

Hong Kong

25 March 2026

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Intangible assets	6	349,506	359,764
Property, plant and equipment	7	196,192	195,902
Right-of-use assets	8	38,037	42,257
Investment properties	9	136,207	136,367
Investments in joint ventures	10	874,368	759,695
Investments in associates	11	246,565	166,139
Financial assets at fair value through other comprehensive income	13	122,722	84,772
Deferred income tax assets	14	29,611	25,131
Non-current bank deposits	17	1,023,753	—
		3,016,961	1,770,027
Current assets			
Inventories	15	450,278	401,734
Trade and other receivables	16	1,233,953	1,213,271
Current income tax recoverable		11,482	5,061
Restricted bank deposits	17	5,536	5,399
Current deposits and cash and cash equivalents	17	4,787,573	5,938,078
		6,488,822	7,563,543
Total assets		9,505,783	9,333,570
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	18	146,597	146,597
Reserves	19	7,795,108	7,725,989
		7,941,705	7,872,586
Non-controlling interests			
		327,029	336,753
Total equity		8,268,734	8,209,339
LIABILITIES			
Non-current liabilities			
Lease liabilities	8	7,263	11,808
Deferred income tax liabilities	14	81,396	77,334
		88,659	89,142
Current liabilities			
Trade and other payables	20	782,277	807,372
Contract liabilities	20	344,618	203,303
Current income tax liabilities		16,243	20,619
Lease liabilities	8	5,252	3,795
		1,148,390	1,035,089
Total liabilities		1,237,049	1,124,231
Total equity and liabilities		9,505,783	9,333,570

Zhu Changyu
Director

Wang Yong
Director

The notes on pages 184 to 253 form an integral part of these audited consolidated financial statements.

Consolidated Income Statement

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	5	3,705,731	3,627,126
Cost of sales		(2,811,205)	(2,781,557)
Gross profit		894,526	845,569
Management fee income	34(a)	104,303	94,570
Other income and gains/(losses) — net	21	39,262	(14,943)
Selling, administrative and general expenses	22	(750,164)	(732,862)
Operating profit		287,927	192,334
Finance income	25	218,884	273,980
Finance costs	25	(1,634)	(2,213)
Finance income — net	25	217,250	271,767
Share of profits of joint ventures	10	355,240	303,111
Share of profits of associates	11	12,883	16,670
Profit before income tax		873,300	783,882
Income tax expenses	26	(82,163)	(67,605)
Profit for the year		791,137	716,277
Profit attributable to:			
Equity holders of the Company		771,064	709,211
Non-controlling interests		20,073	7,066
		791,137	716,277
Earnings per share attributable to equity holders of the Company			
— basic and diluted, HK cents	27	52.60	48.38

The notes on pages 184 to 253 form an integral part of these audited consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	791,137	716,277
Other comprehensive income/(losses)		
Items that may be reclassified subsequently to profit or loss:		
Share of currency translation differences of joint ventures	20,774	(11,519)
Share of statutory reserves of subsidiaries, a joint venture and an associate, net of tax	4,620	4,751
Currency translation differences	43,363	(50,142)
Items that will not be reclassified to profit or loss:		
Fair value gains on financial assets at fair value through other comprehensive income, net	37,950	19,823
Other comprehensive income/(losses) for the year	106,707	(37,087)
Total comprehensive income for the year	897,844	679,190
Total comprehensive income attributable to:		
Equity holders of the Company	868,074	678,158
Non-controlling interests	29,770	1,032
	897,844	679,190

The notes on pages 184 to 253 form an integral part of these audited consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Note	Attributable to equity holders of the Company				Non-controlling interests	Total equity
		Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2025		146,597	556,692	7,169,297	7,872,586	336,753	8,209,339
Profit for the year	19	—	—	771,064	771,064	20,073	791,137
Other comprehensive income							
Share of currency translation differences of joint ventures	19	—	20,774	—	20,774	—	20,774
Share of statutory reserves, net of tax, of:							
— subsidiaries	19	—	2,459	—	2,459	—	2,459
— a joint venture	19	—	321	—	321	—	321
— an associate	19	—	456	—	456	—	456
— non-controlling interests		—	—	—	—	1,384	1,384
Currency differences on translation of:							
— subsidiaries	19	—	26,235	—	26,235	—	26,235
— joint ventures	19	—	3,578	—	3,578	—	3,578
— associates	19	—	5,237	—	5,237	—	5,237
— non-controlling interests		—	—	—	—	8,313	8,313
Fair value gains on financial assets at fair value through other comprehensive income, net	19	—	37,950	—	37,950	—	37,950
Total comprehensive income for the year ended 31 December 2025		—	97,010	771,064	868,074	29,770	897,844
Transactions with owners							
Transfer between reserves	19	—	14,631	(14,631)	—	—	—
Realised upon dissolution of a subsidiary	19	—	(45,025)	45,025	—	—	—
Repayment of capital to non-controlling interests of a subsidiary		—	—	—	—	(31,705)	(31,705)
Dividends paid	19	—	—	(798,955)	(798,955)	(7,789)	(806,744)
Total transactions with owners		—	(30,394)	(768,561)	(798,955)	(39,494)	(838,449)
Balance at 31 December 2025		146,597	623,308	7,171,800	7,941,705	327,029	8,268,734

The notes on pages 184 to 253 form an integral part of these audited consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Note	Attributable to equity holders of the Company				Non-controlling interests	Total equity
		Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2024		146,597	578,451	7,114,407	7,839,455	347,944	8,187,399
Profit for the year	19	—	—	709,211	709,211	7,066	716,277
Other comprehensive (losses)/income							
Share of currency translation differences of joint ventures	19	—	(11,519)	—	(11,519)	—	(11,519)
Share of statutory reserves, net of tax, of:							
— subsidiaries	19	—	2,335	—	2,335	—	2,335
— a joint venture	19	—	618	—	618	—	618
— an associate	19	—	461	—	461	—	461
— non-controlling interests		—	—	—	—	1,337	1,337
Currency differences on translation of:							
— subsidiaries	19	—	(36,342)	—	(36,342)	—	(36,342)
— joint ventures	19	—	(2,839)	—	(2,839)	—	(2,839)
— associates	19	—	(3,590)	—	(3,590)	—	(3,590)
— non-controlling interests		—	—	—	—	(7,371)	(7,371)
Fair value gains on financial assets at fair value through other comprehensive income, net	19	—	19,823	—	19,823	—	19,823
Total comprehensive (losses)/income for the year ended 31 December 2024		—	(31,053)	709,211	678,158	1,032	679,190
Transactions with owners							
Transfer between reserves	19	—	9,294	(9,294)	—	—	—
Acquisition of non-controlling interests of a subsidiary		—	—	—	—	(2,277)	(2,277)
Dividends paid	19	—	—	(645,027)	(645,027)	(9,946)	(654,973)
Total transactions with owners		—	9,294	(654,321)	(645,027)	(12,223)	(657,250)
Balance at 31 December 2024		146,597	556,692	7,169,297	7,872,586	336,753	8,209,339

The notes on pages 184 to 253 form an integral part of these audited consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Cash generated from operations	29(a)	351,764	139,696
Income tax paid		(94,915)	(71,891)
Net cash from operating activities		256,849	67,805
Cash flows from investing activities			
(Increase)/decrease in cash deposits with maturity over three months		(2,668,669)	2,777,887
Interest received		221,693	292,592
Dividends received from financial assets at fair value through other comprehensive income		5,861	7,272
Dividends received from joint ventures		266,250	196,567
Dividends received from associates		10,521	11,217
Net proceeds from disposal of property, plant and equipment		1,237	3,295
Purchases of intangible assets	6	(534)	(4,335)
Purchases of property, plant and equipment	7	(19,502)	(12,281)
Net cash used in acquisition of a subsidiary	32	—	(162,442)
Net cash used in capital injection to/formation of an associate	11	(72,371)	(3,854)
Net cash used in acquisition of non-controlling interests of a subsidiary		—	(2,277)
Net cash (used in)/from investing activities		(2,255,514)	3,103,641
Cash flows from financing activities			
Repayment of capital to non-controlling interests of a subsidiary		(31,705)	—
Principal elements of lease payments		(4,515)	(4,719)
Finance costs paid		(1,053)	(1,488)
Dividends paid to the Company's equity holders	35(a)	(798,955)	(645,027)
Dividends paid to non-controlling interests		(7,789)	(9,946)
Net cash used in financing activities		(844,017)	(661,180)
Net (decrease)/increase in cash and cash equivalents		(2,842,682)	2,510,266
Cash and cash equivalents at the beginning of the year		4,413,554	1,938,284
Exchange gains/(losses) on cash and cash equivalents		44,020	(34,996)
Cash and cash equivalents at the end of the year	17(g)	1,614,892	4,413,554

The notes on pages 184 to 253 form an integral part of these audited consolidated financial statements.

Notes to the Financial Statements

1 GENERAL INFORMATION

COSCO SHIPPING International (Hong Kong) Co., Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) are principally engaged in the provision of shipping services and general trading.

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited. Its principal place of business is 47th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong.

The ultimate holding company of the Company is China COSCO Shipping Corporation Limited (“COSCO SHIPPING”), a state-owned enterprise established in the People’s Republic of China (the “PRC”).

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated.

These consolidated financial statements have been approved for issue by the board of directors on 25 March 2026.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income (“FVOCI”) and investment properties, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(i) Adoption of amendments to existing standards

In 2025, the Group has adopted the following amendments to existing standard issued by the HKICPA which are effective for the Group’s financial year beginning 1 January 2025:

Amendments to Hong Kong Accounting Standard (“HKAS”) 21	Lack of Exchangeability
---	-------------------------

The adoption of the above amendments to existing standard had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(ii) New and amendments to HKFRS Accounting Standards issued but not yet effective

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards Volume 11 ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

Except as described below, the directors of the Company anticipate that the adoption of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18—Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace HKAS 1 Presentation of Financial Statements. The new HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated income statement and consolidated statement of comprehensive income; provides disclosures on management-defined performance measures in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the consolidated financial statements. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early adoption permitted. The adoption of HKFRS 18 is not expected to have material impact on the Group's financial performance and financial positions, but is expected to affect the presentation of the consolidated income statement and consolidated statement of comprehensive income.

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(b) Consolidation (Continued)

(i) Subsidiaries (Continued)

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The excess of the consideration transferred and the fair value of any non-controlling interest in the acquiree over the fair value of the identifiable net assets acquired and liabilities assumed is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When necessary amounts reported by subsidiaries have been adjusted to conform with the policies adopted by the Group.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(c) Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations that each investor has, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined that they are joint ventures. Investments in joint ventures are accounted for using the equity method of accounting.

Under the equity method of accounting, investments in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of joint ventures' post-acquisition profits or losses in the consolidated income statement, and the Group's share of joint ventures' post-acquisition movements in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investments in joint ventures.

Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the joint venture's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the joint venture's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in joint ventures equals or exceeds its interest in the joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and the joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of investments in joint ventures is tested for impairment in accordance with note 2(h).

In the Company's statement of financial position, investments in joint ventures are stated at cost less provision for impairment losses, if any. The results of joint ventures are accounted for by the Company on the basis of dividend received and receivable.

Gains or losses on dilution of equity interest in joint ventures are recognised in the consolidated income statement.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, investments in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of associates' post-acquisition profits or losses in the consolidated income statement, and the Group's share of associates' post-acquisition movements in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investments in associates.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(d) Associates (Continued)

Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in associates equals or exceeds its interest in the associates, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associates.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of investments in associates is tested for impairment in accordance with note 2(h).

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

(e) Intangible assets

(i) Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which goodwill arose and identified according to operating segment. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(ii) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives from three to five years on a straight-line basis.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(iii) Customer relationships

Customer relationships are acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis based on the timing of projected cash flows of the customer relationships over their estimated useful lives from 13 to 19 years.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(f) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property is measured initially at cost, including related transaction cost and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are performed in accordance with, as applicable, the guidance issued by the Hong Kong Institute of Surveyors and the International Valuation Standards Committee. These valuations are reviewed annually by external valuers.

Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the consolidated income statement.

If an owner-occupied property becomes an investment property that will be carried at fair value, the Group depreciates the property and recognises any impairment losses that have occurred up to the date of change in use. The Group treats any difference at that date between the carrying amount of the property and its fair value in the same way as a revaluation of property, plant and equipment.

Any resulting decrease in the carrying amount of the property is recognised in the consolidated income statement. However, to the extent that an amount is included in property revaluation reserve for that property, the decrease is charged against that revaluation reserve.

Any resulting increase in the carrying amount is recognised in the consolidated income statement to the extent that the increase reverses a previous impairment loss for that property. The amount recognised in the consolidated income statement does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised. Any remaining part of the increase is credited directly to equity in property revaluation reserve. On subsequent disposal of the investment property, the revaluation reserve is transferred to retained profits without going through the consolidated income statement.

(g) Property, plant and equipment

Properties comprise buildings. Property, plant and equipment is stated at historical cost less accumulated depreciation, amortisation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(g) Property, plant and equipment (Continued)

Depreciation on other assets are calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives as follows:

Buildings	30 years or remaining lease terms (whichever is shorter)
Machinery	5–10 years
Equipment and motor vehicles	3–5 years
Leasehold improvement	3–5 years
Furniture and fixtures	3–5 years

No depreciation is provided for construction in progress.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated income statement.

All direct and indirect costs relating to the construction of property, plant and equipment, including financing costs and foreign exchange differences on the related borrowed funds during the construction period are capitalised as costs of the asset.

(h) Impairment of investments in subsidiaries, joint ventures, associates and non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of investments in subsidiaries, joint ventures or associates in the separate financial statements is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary, joint venture or associate in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis for asphalt and the weighted average basis for other inventories. Cost of finished goods and work in progress comprises direct materials, direct labour and an appropriate proportion of all production overhead expenditure. It excludes borrowing costs. Net realisable value is estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(j) Financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVOCI; and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For investments in equity instruments that are not held for trading, gains and losses is recorded in other comprehensive income since the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(k) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include, as applicable, the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the leases, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the leases. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following where applicable:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expenses in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Short-term leases and low-value assets mainly comprise motor vehicles, office, furniture and equipment.

(l) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks and a fellow subsidiary. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with maturity less than three months from the date of placement.

(n) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

(q) Current and deferred income tax

The tax expenses for the period comprise current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company, its subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(q) Current and deferred income tax (Continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on deductible temporary differences arising on investments in subsidiaries, associates and joint ventures, except for deferred income tax liabilities where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(r) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars (HK\$), which is the Company's functional and presentation currency. The directors consider that presentation of the consolidated financial statements in Hong Kong dollars will facilitate analysis of the financial information of the Group.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualified cash flow hedges.

Foreign exchange gains and losses are presented in the consolidated income statement within "Other income and gains/(losses) — net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as securities classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(r) Foreign currency translation (Continued)

(iii) Group companies

On consolidation, the results and financial position of all of the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at closing rate at the reporting date of the statement of financial position.

(s) Employee benefits

(i) Pensions and retirement benefits

The Group pays contributions to publicly or privately administered defined contribution plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are expensed as incurred. The assets of the plans are held separately from those of the Group in independently administered funds.

The Group also contributes to employee pension schemes established by municipal government in respect of certain subsidiaries in the PRC. The municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group. Contributions to these schemes are charged to the consolidated income statement as incurred.

(ii) Share-based compensation

The Group operates certain equity-settled, share based compensation plans. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of share options that are expected to become exercisable. At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to become exercisable. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(s) Employee benefits (Continued)

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(t) Revenue and income recognition

(i) Sale of coatings, marine equipment and spare parts, asphalt and other products

Income from sale of coatings, marine equipment and spare parts, asphalt and other products is recognised on the transfer of control of the products, which generally coincides with the time the goods are delivered to customers according to the sales agreements and titles have passed.

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the majority of sales are on credit terms from 30 days to 120 days, which are consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Contract liabilities are recognised when payment from customers is received prior to revenue recognition.

(ii) Commission income from ship trading agency and insurance brokerage, and revenue from provision of intelligent shipping services

The Group provides ship trading agency services, insurance brokerage services and intelligent shipping services. Revenue from providing services is recognised in the accounting period in which the services are rendered. Customers of some contracts concurrently receive and consume the benefits of the services.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Contract liabilities are recognised when payment from customers is received prior to revenue recognition.

(iii) Rental income

Rental income from investment properties is recognised on a straight-line basis over the terms of the respective leases.

(iv) Dividend income

Dividends are received from financial assets at FVOCI. Dividends are recognised in profit or loss when the right to receive payment is established.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(t) Revenue and income recognition (Continued)

(v) Government subsidy income

Government subsidy income is recognised at their fair value where there is a reasonable assurance that it will be received and the Group will comply with all attached conditions. Government subsidy income relating to costs is deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(vi) Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of finance income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments. The executive directors that make strategic decisions have been identified as the chief operating decision-makers.

(v) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

(w) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

3 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group will consider to enter into derivative financial instruments to hedge certain risk exposures when need arises.

Risk management is carried out by the management under policies approved by the board of directors. The management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board of directors provides written policies covering specific areas, such as foreign currency risk and interest rate risk.

(i) Market risk

(1) Foreign currency risk

The Group operates in Hong Kong, the PRC and overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States ("US") dollars. Foreign exchange risk arises mainly from future commercial transactions, recognised assets and liabilities denominated in US dollars for (a) operations whose functional currency is Hong Kong dollars; and (b) operations whose functional currency is Renminbi.

(a) Foreign currency risk arising from operations whose functional currency is Hong Kong dollars

At 31 December 2025, if Hong Kong dollars had weakened/strengthened by 0.25% (2024: 0.25%) against the US dollars with all other variables held constant, post-tax profit for the year would have been HK\$9,314,000 (2024: HK\$9,736,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollars-denominated trade and other receivables, deposits and cash and cash equivalents and foreign exchange losses/gains on translation of US dollars-denominated trade and other payables.

(b) Foreign currency risk arising from operations whose functional currency is Renminbi

At 31 December 2025, if Renminbi had weakened/strengthened by 5% (2024: 5%) against the US dollars with all other variables held constant, post-tax profit for the year would have been HK\$29,000 (2024: HK\$348,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollars-denominated trade and other receivables, deposits and cash and cash equivalents and foreign exchange losses/gains on translation of US dollars-denominated trade and other payables.

Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure by using foreign exchange forward contracts when the need arises.

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Market risk (Continued)

(2) Interest rate risk

Other than deposits and cash and cash equivalents (collectively the “Interest Bearing Assets”), the Group has no other significant interest bearing assets.

With all other variables held constant, if the interest rate had increased/decreased by 50 basis points, the corresponding increase/decrease in net finance income (representing interest income on the Interest Bearing Assets) will result in a net increase/decrease in the Group’s post-tax profit by HK\$28,022,000 (2024: HK\$28,696,000).

(3) Price risk

The Group is exposed to equity securities price risk because certain of the Group’s investments are classified as financial assets at FVOCI, which are required to be stated at their fair values (see fair value estimation below).

The Group’s equity investments in equity of other entities are publicly traded. These investments have been chosen based on their long-term growth potential and are monitored regularly for performance against expectation and changes in market conditions. The table below summarises the impact of increases/decreases of the market price of the Group’s equity investments by 5%:

	Increase/decrease in post-tax profit		Increase/decrease in investment revaluation reserve	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
5% increase/decrease in market price	—	—	6,136	4,239

(ii) Credit risk

Credit risk mainly arises from trade and other receivables, balances due from group and related companies and deposits with financial institutions. The Group has limited its credit exposure from bank balances and deposits by restricting its selection of financial institutions with acceptable credit rating, as rated by external credit agencies, and most of the Group’s bank balances as at 31 December 2025 were placed with state-owned and listed banks. Management considers these balances are subject to low credit risk.

The Group’s trade and other receivables are subject to the expected credit loss model.

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Credit risk (Continued)

Trade and other receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and ageing profile. The expected loss rates are based on the historical credit losses experienced in the past. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

For all other receivables, expected credit losses are measured as either 12-month expected loss allowance or lifetime expected loss allowance, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of other receivables has occurred since initial recognition, then impairment is measured as lifetime expected loss allowance.

On that basis, the expected loss allowance as at 31 December 2025 and 31 December 2024 was determined as follows for trade receivables:

	Expected loss rate	Gross carrying amount HK\$'000	Expected loss allowance HK\$'000
Ageing analysis as at 31 December 2025			
Current – 90 days	0.1%	305,266	210
91 days – 180 days	1.5%	82,660	1,205
181 days – 365 days	13.6%	46,809	6,371
Over 1 year	89.8%	28,427	25,522
		463,162	33,308
Ageing analysis as at 31 December 2024			
Current – 90 days	0.1%	364,084	291
91 days – 180 days	1.9%	89,624	1,705
181 days – 365 days	3.3%	68,006	2,259
Over 1 year	75.9%	27,419	20,798
		549,133	25,053

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Credit risk (Continued)

Trade and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 31 December 2025, the Group's provision for impairment of trade and other receivables amounted to HK\$33,308,000 and HK\$22,962,000 respectively (2024: HK\$25,053,000 and HK\$22,332,000 respectively). During the year, net provision for impairment of trade receivables and net provision for impairment of other receivables amounted to HK\$7,634,000 and HK\$69,000 respectively (2024: net reversal of provision of HK\$28,649,000 and provision of HK\$3,637,000 respectively).

(iii) Liquidity risk

The Group adopts prudent liquidity risk management which includes maintaining sufficient bank balances and cash, having available funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year HK\$'000	More than 1 year HK\$'000
Group		
At 31 December 2025		
Trade and other payables	782,277	—
Lease liabilities	5,635	7,466
At 31 December 2024		
Trade and other payables	807,372	—
Lease liabilities	4,364	12,358

3 FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to equity holders, issue or repurchase the Company's shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the Group's total borrowings divided by total assets. The Group's strategy, which was unchanged from prior year, is to maintain a low gearing ratio. The gearing ratios at 31 December 2025 and 2024 are as follows:

	2025 HK\$'000	2024 HK\$'000
Total borrowings	—	—
Total assets	9,505,783	9,333,570
Gearing ratio	—	—

(c) Fair value estimation

The table below analyses financial instruments and investment properties that are carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation (Continued)

The following table presents the Group's financial assets and investment properties that are measured at fair value at 31 December 2025.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at FVOCI				
— equity securities	122,722	—	—	122,722
Investment properties				
— commercial — Hong Kong	—	—	21,700	21,700
— commercial — Overseas	—	—	41,096	41,096
— residential — Hong Kong	—	—	23,800	23,800
— residential — PRC	—	—	49,611	49,611
	122,722	—	136,207	258,929

The following table presents the Group's financial assets and investment properties that are measured at fair value at 31 December 2024.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at FVOCI				
— equity securities	84,772	—	—	84,772
Investment properties				
— commercial — Hong Kong	—	—	29,600	29,600
— commercial — Overseas	—	—	34,478	34,478
— residential — Hong Kong	—	—	23,900	23,900
— residential — PRC	—	—	48,389	48,389
	84,772	—	136,367	221,139

There were no transfers among Level 1, Level 2 and Level 3 during the year.

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments classified as financial assets at FVOCI.

3 FINANCIAL RISK MANAGEMENT (Continued)

(d) Valuation techniques used to derive Level 2 fair values

Level 2 comprises other observable inputs which are not included within Level 1 of the fair value hierarchy or market-corroborated inputs based on or supported by observable market data.

There were no Level 2 financial and non-financial assets in 2025 and 2024.

(e) Fair value measurements using significant unobservable inputs (Level 3)

At the end of each reporting period, the management updates their assessment of the fair value of each property, taking into account the most recent independent valuations. Valuation techniques adopted is the direct comparison approach and the unobservable inputs being the price per gross floor area. The range of unobservable input at 31 December 2025 was from HK\$4,584 to HK\$11,303 per square foot (2024: HK\$4,322 to HK\$15,000 per square foot). There is a positive correlation between the fair value price per square foot and the fair value of the investment properties.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(f) Valuation process

The Group's finance department manages the valuations of financial assets and financial liabilities required for financial reporting purposes, including Level 3 fair values and presents the results of valuations to the management for review and approval on a half-yearly basis. Changes in Level 2 and Level 3 fair values are analysed where appropriate and reported with reasons for the fair value movements to the management.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal actual results. The estimates, assumptions and judgements in applying the Group's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Provision for impairment of trade receivables

Provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting periods. Details are disclosed in note 3(a)(ii).

5 REVENUE AND SEGMENT INFORMATION

Turnover, representing revenue, recognised at a point in time, during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Sale of coatings	1,633,405	1,344,147
Sale of marine equipment and spare parts	1,681,171	1,814,163
Commission income from ship trading agency	153,719	107,053
Commission income from insurance brokerage	223,469	220,994
Intelligent shipping services	4,833	1,325
General trading	9,134	139,444
	3,705,731	3,627,126

The executive directors have been identified as the chief operating decision-makers. The executive directors review the Group's internal reports in order to make decisions about resources to be allocated to the segments and assess their performance. Management considers the business from a product perspective and has identified the following reportable segments on the basis of these reports:

Reportable segments	Business activities
Coatings	Production and sale of coatings, and holding of investments in joint ventures, namely Jotun COSCO Marine Coatings (HK) Limited ("Jotun COSCO") and Nasurfur Biomaterial Technology (Changshu) Co., Ltd.
Marine equipment and spare parts	Trading and supply of marine equipment and spare parts, and holding of investments in joint ventures
Ship trading agency	Provision of agency services relating to shipbuilding, ship trading and bareboat charter business, and holding of investments in a joint venture and an associate
Insurance brokerage	Provision of insurance brokerage services
Intelligent shipping services	Provision of green, low-carbon and digital intelligent solutions for the full life cycle of the shipping industry
General trading	Trading, storage, processing and supply of asphalt and other products, and holding of investments in associates, including Zhejiang Four Brothers Rope Co., Ltd.

Others mainly comprise the holding of the Group's financial assets at FVOCI, the result of a subsidiary (namely Sinfeng Marine Services Pte. Ltd.) and holding of investments in an associate (namely Shanghai JOYFuel Green Energy Co., Ltd.).

Management assesses the performance of the operating segments based on a measure of profit before income tax.

5 REVENUE AND SEGMENT INFORMATION (Continued)

	Year ended and as at 31 December 2025									
	Shipping services						General trading	Others	Inter-segment elimination	Total
	Coatings	Marine equipment and spare parts	Ship trading agency	Insurance brokerage	Intelligent shipping services	Total				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit or loss items:										
Segment revenue	1,633,405	1,681,171	153,719	224,666	6,199	3,699,160	9,134	—	(2,563)	3,705,731
Inter-segment revenue	—	—	—	(1,197)	(1,366)	(2,563)	—	—	2,563	—
Revenue from external customers	1,633,405	1,681,171	153,719	223,469	4,833	3,696,597	9,134	—	—	3,705,731
Segment operating profit/(loss)	77,816	56,177	103,433	139,088	(28,062)	348,452	(12,252)	(980)	—	335,220
Finance income	1,746	9,756	2,161	11,367	136	25,166	4,073	1,877	—	31,116
Finance costs	(562)	(801)	(5)	(169)	—	(1,537)	(68)	(9)	—	(1,614)
Share of profits of joint ventures	351,396	2,623	1,221	—	—	355,240	—	—	—	355,240
Share of profits/(losses) of associates	—	—	56	—	—	56	14,791	(1,964)	—	12,883
Segment profit/(loss) before income tax	430,396	67,755	106,866	150,286	(27,926)	727,377	6,544	(1,076)	—	732,845
Income tax (expenses)/credit	(14,128)	(15,564)	(24,711)	(26,832)	5,679	(75,556)	—	—	—	(75,556)
Segment profit/(loss) after income tax	416,268	52,191	82,155	123,454	(22,247)	651,821	6,544	(1,076)	—	657,289
Balance sheet items:										
Total segment assets	2,026,216	1,072,052	262,598	992,999	14,168	4,368,033	590,997	244,412	(5,573)	5,197,869
Total segment assets include:										
— Joint ventures	854,380	12,545	7,443	—	—	874,368	—	—	—	874,368
— Associates	—	—	1,913	—	—	1,913	169,411	75,241	—	246,565
Total segment liabilities	409,487	269,638	48,887	415,179	8,458	1,151,649	365,072	2,552	(5,573)	1,513,700
Other items:										
Depreciation and amortisation, net of amount capitalised	(17,007)	(2,843)	(1,293)	(13,075)	(793)	(35,011)	(2,474)	—	—	(37,485)
(Provision)/reversal of provision for impairment of trade receivables, net	(17,510)	(1,405)	—	—	—	(18,915)	11,281	—	—	(7,634)
Provision for impairment of other receivables, net	—	—	—	—	—	—	(69)	—	—	(69)
(Provision)/reversal of provision for impairment of inventories, net	(124)	—	—	—	—	(124)	440	—	—	316
Subsidy income	4,191	383	—	2,183	3,575	10,332	119	—	—	10,451
Additions to non-current assets (other than financial assets at FVOCI, deferred income tax assets and non-current bank deposits)	11,599	2,835	1,701	1,322	2,718	20,175	33	—	—	20,208

5 REVENUE AND SEGMENT INFORMATION (Continued)

Year ended and as at 31 December 2024

	Shipping services						General trading	Others	Inter-segment elimination	Total
	Coatings HK\$'000	Marine equipment and spare parts HK\$'000	Ship trading agency HK\$'000	Insurance brokerage HK\$'000	Intelligent shipping services HK\$'000	Total HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit or loss items:										
Segment revenue	1,344,147	1,814,163	107,053	221,936	3,425	3,490,724	139,444	—	(3,042)	3,627,126
Inter-segment revenue	—	—	—	(942)	(2,100)	(3,042)	—	—	3,042	—
Revenue from external customers	1,344,147	1,814,163	107,053	220,994	1,325	3,487,682	139,444	—	—	3,627,126
Segment operating profit/(loss)	27,884	100,670	60,909	133,121	(23,706)	298,878	(16,615)	5,827	—	288,090
Finance income	2,499	12,108	3,741	9,119	278	27,745	5,088	2,237	—	35,070
Finance costs	(630)	(1,065)	(5)	(324)	—	(2,024)	(146)	(9)	—	(2,179)
Share of profits of joint ventures	299,998	2,401	712	—	—	303,111	—	—	—	303,111
Share of profits/(losses) of associates	—	—	90	—	—	90	16,599	(19)	—	16,670
Segment profit/(loss) before income tax	329,751	114,114	65,447	141,916	(23,428)	627,800	4,926	8,036	—	640,762
Income tax expenses	(8,927)	(20,982)	(12,535)	(25,508)	—	(67,952)	(279)	—	—	(68,231)
Segment profit/(loss) after income tax	320,824	93,132	52,912	116,408	(23,428)	559,848	4,647	8,036	—	572,531
Balance sheet items:										
Total segment assets	1,902,744	1,183,879	260,184	776,361	28,965	4,152,133	575,715	138,790	(787)	4,865,851
Total segment assets include:										
— Joint ventures	742,194	11,107	6,394	—	—	759,695	—	—	—	759,695
— Associates	—	—	1,810	—	—	1,810	160,569	3,760	—	166,139
Total segment liabilities	391,526	283,916	49,016	287,218	1,388	1,013,064	34,536	1,071	(787)	1,047,884
Other items:										
Depreciation and amortisation, net of amount capitalised	(15,608)	(1,850)	(764)	(13,064)	(63)	(31,349)	(4,059)	—	—	(35,408)
(Provision)/reversal of provision for impairment of trade receivables, net	(5,360)	231	—	—	—	(5,129)	33,778	—	—	28,649
Provision for impairment of other receivables	—	—	—	—	—	—	(3,637)	—	—	(3,637)
Provision for impairment of inventories, net	(5,473)	—	—	—	—	(5,473)	(4,318)	—	—	(9,791)
Subsidy income	2,180	511	—	18	—	2,709	141	—	—	2,850
Additions to non-current assets (other than financial assets at FVOCI and deferred income tax assets)	6,437	3,369	1,481	5,156	96	16,539	150	—	—	16,689

5 REVENUE AND SEGMENT INFORMATION (Continued)

A reconciliation of the total of the reportable segments' profit before income tax to the Group's profit after income tax is as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before income tax for reportable segments	733,921	632,726
(Loss)/profit before income tax for others	(1,076)	8,036
Profit before income tax for all segments	732,845	640,762
Elimination of segment income from corporate headquarters	(891)	(659)
Elimination of segments' finance income from corporate headquarters	(14,494)	—
Corporate finance income	202,262	238,910
Corporate finance costs	(20)	(34)
Corporate net exchange gains/(losses)	13,062	(30,978)
Corporate expenses, net of income	(59,464)	(64,119)
Profit before income tax for the Group	873,300	783,882
Income tax expenses for all segments	(75,556)	(68,231)
Corporate income tax (expenses)/credit	(6,607)	626
Profit after income tax for the Group	791,137	716,277

A reconciliation of the total of the reportable segments' assets to the Group's total assets is as follows:

	2025 HK\$'000	2024 HK\$'000
Total assets for reportable segments	4,959,030	4,727,848
Total assets for others	244,412	138,790
Elimination of inter-segment receivables	(5,573)	(787)
Total assets for all segments	5,197,869	4,865,851
Corporate assets (mainly deposits and cash and cash equivalents)	5,111,099	4,816,568
Elimination of receivables between corporate headquarters and segments	(803,185)	(348,849)
Total assets for the Group	9,505,783	9,333,570

5 REVENUE AND SEGMENT INFORMATION (Continued)

A reconciliation of the total of the reportable segments' liabilities to the Group's total liabilities is as follows:

	2025 HK\$'000	2024 HK\$'000
Total liabilities for reportable segments	1,516,721	1,047,600
Total liabilities for others	2,552	1,071
Elimination of inter-segment payables	(5,573)	(787)
Total liabilities for all segments	1,513,700	1,047,884
Corporate liabilities	526,534	425,196
Elimination of payables between corporate headquarters and segments	(803,185)	(348,849)
Total liabilities for the Group	1,237,049	1,124,231

The Company is domiciled in Hong Kong. The Group's revenue from external customers derived from Hong Kong and places other than Hong Kong (principally in the PRC) are HK\$1,143,585,000 (2024: HK\$1,344,424,000) and HK\$2,562,146,000 (2024: HK\$2,282,702,000) respectively.

The total of non-current assets, other than financial assets at FVOCI, deferred income tax assets and non-current bank deposits, located in Hong Kong and places other than Hong Kong are HK\$1,150,697,000 (2024: HK\$1,066,631,000) and HK\$690,178,000 (2024: HK\$593,493,000) respectively.

6 INTANGIBLE ASSETS

	Goodwill HK\$'000	Computer software HK\$'000	Customer Relationships HK\$'000	Total HK\$'000
Cost				
At 1 January 2024	105,951	24,186	—	130,137
Currency translation differences	(558)	(396)	—	(954)
Acquisition of a subsidiary (note 32)	96,352	981	163,741	261,074
Additions	—	4,335	—	4,335
Disposals	—	(1,105)	—	(1,105)
At 31 December 2024	201,745	28,001	163,741	393,487
Currency translation differences	906	466	—	1,372
Additions	—	534	—	534
At 31 December 2025	202,651	29,001	163,741	395,393
Accumulated amortisation and impairment				
At 1 January 2024	5,984	17,310	—	23,294
Currency translation differences	—	(152)	—	(152)
Amortisation (note 22)	—	2,110	9,576	11,686
Disposals	—	(1,105)	—	(1,105)
At 31 December 2024	5,984	18,163	9,576	33,723
Currency translation differences	—	295	—	295
Amortisation (note 22)	—	2,293	9,576	11,869
At 31 December 2025	5,984	20,751	19,152	45,887
Net book amount				
At 31 December 2025	196,667	8,250	144,589	349,506
At 31 December 2024	195,761	9,838	154,165	359,764

6 INTANGIBLE ASSETS (Continued)

Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units under shipping services business segment as follows:

	2025 HK\$'000	2024 HK\$'000
Agency service in respect of shipbuilding, ship trading and bareboat charter business	47,021	46,739
Provision of insurance brokerage services	131,397	131,397
Trading of marine equipment and spare parts	18,249	17,625
	196,667	195,761

The recoverable amounts of the above business units are determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period and thereafter with long-term growth rate of 3% (2024: 3%). Management determined forecast profitability based on past performance and its expectation for market development. Future cash flows are discounted at 12% (2024: 12%) per annum. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. These assumptions have been used for the analysis of each cash generating unit within the operating segment. Management determined the long-term growth rate and discount rate for each business unit covering over the five-year forecast period to be key assumptions.

The Group has performed a sensitivity analysis on key assumptions used for the annual impairment test for goodwill. A reasonably possible change in key assumptions used in the impairment test for goodwill would not cause any cash generating units' carrying amount to exceed its respective recoverable amount.

7 PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Machinery, equipment and motor vehicles HK\$'000	Leasehold improve- ment HK\$'000	Furniture and fixtures HK\$'000	Construc- tion in progress HK\$'000	Total HK\$'000
Cost						
At 1 January 2024	282,408	155,274	20,959	36,592	—	495,233
Currency translation differences	(6,269)	(2,942)	(190)	(534)	(6)	(9,941)
Acquisition of a subsidiary (note 32)	—	142	—	—	—	142
Additions	—	6,093	3,823	1,939	426	12,281
Disposals	(456)	(17,749)	(676)	(16,616)	—	(35,497)
At 31 December 2024	275,683	140,818	23,916	21,381	420	462,218
Currency translation differences	7,276	3,388	329	574	9	11,576
Additions	—	6,320	6,638	4,709	1,835	19,502
Disposals	(19,583)	(5,587)	—	(806)	—	(25,976)
Transfer between categories	392	1,481	—	—	(1,873)	—
At 31 December 2025	263,768	146,420	30,883	25,858	391	467,320
Accumulated depreciation						
At 1 January 2024	107,133	127,892	18,900	32,945	—	286,870
Currency translation differences	(2,496)	(2,432)	(145)	(471)	—	(5,544)
Depreciation (note 22(a))	8,825	8,913	746	1,750	—	20,234
Disposals	(444)	(17,568)	(676)	(16,556)	—	(35,244)
At 31 December 2024	113,018	116,805	18,825	17,668	—	266,316
Currency translation differences	2,908	2,792	235	468	—	6,403
Depreciation (note 22(a))	8,914	9,172	3,350	2,357	—	23,793
Disposals	(19,142)	(5,459)	—	(783)	—	(25,384)
At 31 December 2025	105,698	123,310	22,410	19,710	—	271,128
Net book amount						
At 31 December 2025	158,070	23,110	8,473	6,148	391	196,192
At 31 December 2024	162,665	24,013	5,091	3,713	420	195,902

The Group's interests in properties at their net book value are analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Leasehold properties held outside Hong Kong:		
— on leases of between 10 years and 50 years	157,755	162,119
— on leases of less than 10 years	315	546
	158,070	162,665

8 LEASES

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2025 HK\$'000	2024 HK\$'000
Right-of-use assets		
Leasehold land and buildings	11,764	16,263
Machinery, equipment and motor vehicles	335	13
Prepaid premium for land leases	25,938	25,981
	38,037	42,257
Lease liabilities		
Current	5,252	3,795
Non-current	7,263	11,808
	12,515	15,603

During the year, addition to the right-of-use assets was HK\$558,000 (2024: HK\$2,673,000, in which HK\$1,603,000 was added upon acquisition of a subsidiary (note 32)).

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2025 HK\$'000	2024 HK\$'000
Depreciation of right-of-use assets (note 22(b))		
— Leasehold land and buildings	4,990	6,335
— Machinery, equipment and motor vehicles	37	130
— Prepaid premium for land leases	690	693
	5,717	7,158
Interest expense (included in finance costs) (note 25)	581	725
Expenses related to short-term leases	39,121	35,880

The total cash outflow for lease liabilities for the year ended 31 December 2025 was HK\$4,515,000 (2024: HK\$4,719,000), which included payments of lease liabilities to fellow subsidiaries was nil (2024: HK\$1,303,000). The total cash outflow for short-term leases for the year ended 31 December 2025 was HK\$39,121,000 (2024: HK\$35,880,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various buildings, machinery, equipment and motor vehicles. Rental contracts are typically made for fixed periods of 1 year to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

9 INVESTMENT PROPERTIES

	Completed commercial properties —Hong Kong HK\$'000	Completed commercial properties —Overseas HK\$'000	Completed residential properties —Hong Kong HK\$'000	Completed residential properties —PRC HK\$'000	Total HK\$'000
At 1 January 2024	29,700	35,602	27,200	53,431	145,933
Currency translation differences	—	(1,124)	—	(1,083)	(2,207)
Fair value losses (note 21)	(100)	—	(3,300)	(3,959)	(7,359)
At 31 December 2024	29,600	34,478	23,900	48,389	136,367
Currency translation differences	—	1,845	—	1,222	3,067
Fair value (losses)/gains (note 21)	(7,900)	4,773	(100)	—	(3,227)
At 31 December 2025	21,700	41,096	23,800	49,611	136,207

The Group's interests in investment properties are analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Held in Hong Kong:		
— on leases of over 50 years	45,500	53,500
Held outside Hong Kong:		
— on leases of between 10 years and 50 years	49,611	48,389
— on freehold land	41,096	34,478
	136,207	136,367

Valuation processes of the Group

The Group measures its investment properties at fair value. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The investment properties in Hong Kong and the PRC were revalued by Landscape Surveyor Limited, an independent qualified valuer not related to the Group, who holds the recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued, at 31 December 2025 and 2024.

The overseas investment property was revalued by CKS Property Consultants Pte Ltd and Pioneer Property Consultants LLP, independent qualified valuers not related to the Group, who hold the recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued, at 31 December 2025 and 2024 respectively.

The Group's finance department includes a team that reviews the valuations performed annually by the independent valuers for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between the management and the independent valuers at least annually.

9 INVESTMENT PROPERTIES (Continued)

Valuation processes of the Group (Continued)

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation reports;
- assesses property valuations movements when compared to the prior year valuation report; and
- holds discussions with the independent valuers.

Valuation techniques

Fair value measurements using significant unobservable inputs (Level 3)

Fair values of completed commercial and residential properties are generally derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

10 INVESTMENTS IN JOINT VENTURES

	2025 HK\$'000	2024 HK\$'000
At 1 January	759,695	668,448
Currency translation differences (note 19)	3,578	(2,839)
Share of profits	355,240	303,111
Share of other comprehensive income/(losses) (note 19)	21,095	(10,901)
Dividends received	(265,240)	(198,124)
At 31 December	874,368	759,695

Particulars of the joint ventures of the Group as at 31 December 2025 are set out in note 37 to the financial statements.

10 INVESTMENTS IN JOINT VENTURES (Continued)

Summarised financial information for a material joint venture of the Group

Set out below are the summarised financial information for Jotun COSCO, a material joint venture.

Summarised statement of financial position

	2025 HK\$'000	2024 HK\$'000
Non-current assets	278,384	233,667
Current assets		
Cash and cash equivalents	777,877	587,023
Other current assets	2,187,783	1,730,872
Total current assets	2,965,660	2,317,895
Current liabilities		
Financial liabilities (excluding trade and other payables and provisions)	(109,427)	(164,444)
Other current liabilities	(1,674,511)	(1,151,668)
Total current liabilities	(1,783,938)	(1,316,112)
Non-current liabilities		
Deferred income tax liabilities	(37,237)	(34,229)
Other non-current liabilities	(23,753)	(3,055)
Total non-current liabilities	(60,990)	(37,284)
Net assets	1,399,116	1,198,166

Summarised statement of comprehensive income

	2025 HK\$'000	2024 HK\$'000
Revenue	4,995,759	4,235,892
Depreciation and amortisation	33,644	42,431
Interest income	10,397	13,126
Interest expense	1,976	427
Profit before income tax	899,650	762,361
Income tax expenses	(224,544)	(185,714)
Profit for the year	675,106	576,647
Other comprehensive gains/(losses)	38,184	(21,501)
Total comprehensive income	713,290	555,146

The information disclosed above reflects the amounts presented in the financial statements of the joint venture prepared under HKFRS Accounting Standards.

10 INVESTMENTS IN JOINT VENTURES (Continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Jotun COSCO.

	2025 HK\$'000	2024 HK\$'000
Opening net assets at 1 January	1,198,166	1,034,728
Profit for the year	675,106	576,647
Dividends	(512,340)	(391,708)
Other comprehensive gains/(losses)		
Currency translation differences	38,184	(21,501)
Closing net assets at 31 December	1,399,116	1,198,166
Interest in joint venture (50%)	699,558	599,083
Goodwill	7,097	7,097
Carrying amount	706,655	606,180

The aggregate carrying amounts of individually insignificant joint ventures, perceived by management, are HK\$167,713,000 (2024: HK\$153,515,000). The aggregate amounts of the Group's share of these insignificant joint ventures' profits for the year and other comprehensive gains are HK\$17,687,000 (2024: HK\$14,787,000) and HK\$2,003,000 (2024: losses of HK\$150,000) respectively.

11 INVESTMENTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
At 1 January	166,139	159,961
Currency translation differences (note 19)	5,237	(3,590)
Capital injection to/formation of an associate	72,371	3,854
Share of profits	12,883	16,670
Share of other comprehensive income (note 19)	456	461
Dividends received	(10,521)	(11,217)
At 31 December	246,565	166,139

No summarised financial information for associates has been set out, as there were no individually significant associates, perceived by management, in 2025 and 2024.

Particulars of the associates of the Group as at 31 December 2025 are set out in note 37 to the financial statements.

12 FINANCIAL INSTRUMENTS BY CATEGORY

The Group has categorised its financial instruments as follows:

	Financial assets at amortised cost HK\$'000	Financial assets at FVOCI HK\$'000	Total HK\$'000
Assets as per consolidated statement of financial position			
At 31 December 2025			
Financial assets at FVOCI	—	122,722	122,722
Trade and other receivables excluding prepayments	1,233,744	—	1,233,744
Restricted bank deposits, total deposits and cash and cash equivalents	5,816,862	—	5,816,862
Total	7,050,606	122,722	7,173,328
At 31 December 2024			
Financial assets at FVOCI	—	84,772	84,772
Trade and other receivables excluding prepayments	1,213,271	—	1,213,271
Restricted bank deposits, total deposits and cash and cash equivalents	5,943,477	—	5,943,477
Total	7,156,748	84,772	7,241,520
		Financial liabilities at amortised cost HK\$'000	

Liabilities as per consolidated statement of financial position

At 31 December 2025	
Trade and other payables excluding non-financial liabilities	782,277
Lease liabilities	12,515
Total	794,792
At 31 December 2024	
Trade and other payables excluding non-financial liabilities	807,372
Lease liabilities	15,603
Total	822,975

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK\$'000	2024 HK\$'000
Market value of listed equity securities in Hong Kong, denominated in Hong Kong dollars	122,722	84,772

14 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using tax rates substantively enacted by the reporting date.

The movements on the net deferred income tax liabilities during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	(52,203)	(30,935)
Currency translation differences	(1,144)	785
Acquisition of a subsidiary (note 32)	—	(27,049)
Transferred to current income tax liabilities	4,819	9,121
Charged to the consolidated income statement, net (note 26)	(3,257)	(4,125)
At 31 December	(51,785)	(52,203)

Deferred income tax assets are recognised for tax losses carried-forward to the extent that realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2025, the Group has unrecognised tax losses of HK\$173,905,000 (2024: HK\$82,792,000) to carry forward against future taxable profits, of which HK\$88,676,000 (2024: HK\$11,276,000) can be carried forward indefinitely. The remaining tax losses have an expiry date of up to 5 years.

Deferred tax assets and liabilities are offset when the deferred income taxes relate to the same fiscal authority and when there is a legally enforceable right to offset current tax assets against current tax liabilities. The following amounts, determined after appropriate offsetting within a tax jurisdiction, are shown in the consolidated statement of financial position:

	2025 HK\$'000	2024 HK\$'000
Deferred income tax assets	29,611	25,131
Deferred income tax liabilities	(81,396)	(77,334)
Deferred income tax liabilities, net	(51,785)	(52,203)

14 DEFERRED INCOME TAX (Continued)

The gross differences between book and tax accounting, before netting are as follows:

	2025 HK\$'000	2024 HK\$'000
Gross deferred income tax assets	32,587	29,171
Gross deferred income tax liabilities	(84,372)	(81,374)
	(51,785)	(52,203)

The recoverability of the deferred tax assets and liabilities is as follows:

	2025 HK\$'000	2024 HK\$'000
Gross deferred income tax assets:		
— to be recovered after more than 12 months	29,681	26,120
— to be recovered within 12 months	2,906	3,051
	32,587	29,171
Gross deferred income tax liabilities:		
— to be settled after more than 12 months	(83,138)	(80,419)
— to be settled within 12 months	(1,234)	(955)
	(84,372)	(81,374)
	(51,785)	(52,203)

14 DEFERRED INCOME TAX (Continued)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(a) Deferred income tax assets

	Accrued liabilities HK\$'000	Impairment losses and others HK\$'000	Tax losses HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2024	13,487	5,755	14,681	4,355	38,278
Currency translation differences	(270)	(178)	(142)	(89)	(679)
Credited/(charged) to the consolidated income statement	1,261	1,997	(11,298)	(388)	(8,428)
At 31 December 2024	14,478	7,574	3,241	3,878	29,171
Currency translation differences	370	223	73	85	751
Credited/(charged) to the consolidated income statement	278	3,971	(719)	(865)	2,665
At 31 December 2025	15,126	11,768	2,595	3,098	32,587

(b) Deferred income tax liabilities

	Accelerated tax depreciation HK\$'000	Fair value gains and others HK\$'000	Withholding tax HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
At 1 January 2024	(1,849)	(25,575)	(36,611)	(5,178)	(69,213)
Currency translation differences	29	496	844	95	1,464
Acquisition of a subsidiary (note 32)	—	(27,049)	—	—	(27,049)
Transfer to current income tax liabilities	—	—	9,121	—	9,121
Credited/(charged) to the consolidated income statement	—	4,930	(1,670)	1,043	4,303
At 31 December 2024	(1,820)	(47,198)	(28,316)	(4,040)	(81,374)
Currency translation differences	(46)	(541)	(1,223)	(85)	(1,895)
Transfer to current income tax liabilities	—	—	4,819	—	4,819
Credited/(charged) to the consolidated income statement	—	2,215	(9,287)	1,150	(5,922)
At 31 December 2025	(1,866)	(45,524)	(34,007)	(2,975)	(84,372)

15 INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials	45,183	49,682
Work in progress	1,659	803
Finished goods	403,436	351,249
	450,278	401,734

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$2,811,205,000 (2024: HK\$2,781,557,000).

As at 31 December 2025, inventories of HK\$65,218,000 (2024: HK\$56,630,000) were carried at net realisable value.

16 TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables		
— third parties	212,917	343,999
— fellow subsidiaries (note (d))	244,775	193,409
— related companies (note (d))	3,460	5,639
— joint ventures (note (d))	1,909	5,623
— an associate (note (d))	—	89
— non-controlling interests (note (d))	101	374
	463,162	549,133
Less: provision for impairment (note (b))	(33,308)	(25,053)
Trade receivables — net (note (a))	429,854	524,080
Bills receivable		
— third parties	105,877	156,354
— fellow subsidiaries (note (d))	82,325	36,653
— non-controlling interests (note (d))	—	363
Prepayments	209	225
Deposits and other receivables		
— third parties	461,788	441,649
— fellow subsidiaries (note (d))	123,703	18,322
— related companies (note (d))	27,724	32,173
— a joint venture (note (d))	228	—
— an associate (note (d))	559	—
Amounts due from fellow subsidiaries (note (d))	1,686	3,452
	1,233,953	1,213,271

16 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) As at 31 December, the ageing analysis of trade receivables (net of provision for impairment) based on invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
Current–90 days	305,056	363,793
91 days–180 days	81,455	87,919
Over 180 days	43,343	72,368
	429,854	524,080

For sale of coatings, marine equipment and spare parts, asphalt and other products, the majority of sales are on credit terms from 30 days to 120 days. Other than those with credit terms, all invoices are payable upon presentation.

- (b) The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables, and it was assessed an amount of HK\$33,308,000 of the receivable balance was impaired as at 31 December 2025 (2024: HK\$25,053,000).

Movements on the provision for impairment of trade receivables are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	25,053	54,286
Currency translation differences	734	(568)
Provision/(reversal of provision) for impairment, net (note 21)	7,634	(28,649)
Amount written off	(113)	(16)
At 31 December	33,308	25,053

- (c) The carrying amounts of trade and other receivables approximate their fair values and are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Renminbi	537,338	661,858
Hong Kong dollars	18,163	79,480
United States dollars	430,336	364,155
Others	248,116	107,778
	1,233,953	1,213,271

- (d) Balances with fellow subsidiaries, related companies, joint ventures, associates and non-controlling interests are unsecured, interest-free and have no fixed terms of repayment except for the trade-related balances and bills receivable, which are repayable according to the respective credit terms.
- (e) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. As at 31 December 2025 and 2024, the Group does not hold any collateral as security.

17 RESTRICTED BANK DEPOSITS, TOTAL DEPOSITS AND CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Restricted bank deposits (note (a))	5,536	5,399
Cash deposits with maturity more than three months from date of placement:		
— bank deposits	3,989,908	1,524,524
— deposits with a fellow subsidiary (note (b))	206,526	—
	4,196,434	1,524,524
Cash and cash equivalents:		
— bank deposits with maturity of three months or less from date of placement	383,672	2,817,440
— deposits with a fellow subsidiary with maturity of three months or less from date of placement (note (b))	501,636	698,788
— cash at bank and on hand	729,584	897,326
	1,614,892	4,413,554
Total	5,816,862	5,943,477

Representing by:

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Non-current bank deposits	1,023,753	—
Current assets		
Restricted bank deposits	5,536	5,399
Current deposits and cash and cash equivalents	4,787,573	5,938,078
	5,816,862	5,943,477

Notes:

- (a) Restricted bank deposits represent deposits placed to meet statutory requirement for insurance brokerage business in the PRC.
- (b) Deposits with a fellow subsidiary, which is a financial institution in the PRC, bear interest at prevailing market rates.
- (c) As at 31 December 2025, the Group has fiduciary funds of HK\$230,985,000 (2024: HK\$201,973,000) which represent clients' money kept for payment of insurance premiums to the underwriters and settlement of claims to the policyholders of insurance brokerage business. They are not available for general corporate purpose.

17 RESTRICTED BANK DEPOSITS, TOTAL DEPOSITS AND CASH AND CASH EQUIVALENTS (Continued)

Notes: (Continued)

- (d) The carrying amounts of restricted bank deposits, total deposits and cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Renminbi	806,645	740,929
Hong Kong dollars	69,746	182,367
United States dollars	4,767,728	4,927,538
Others	172,743	92,643
	5,816,862	5,943,477

- (e) The Group's cash and cash equivalents denominated in Renminbi are mainly deposited with banks and a fellow subsidiary in the PRC. The conversion of these Renminbi denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.
- (f) The maximum exposure to credit risk at the reporting date is the carrying amount of the balances mentioned above.
- (g) The Group's cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	2025 HK\$'000	2024 HK\$'000
Total deposits and cash and cash equivalents	5,816,862	5,943,477
Less: restricted bank deposits	(5,536)	(5,399)
cash deposits with maturity more than three months from date of placement	(4,196,434)	(1,524,524)
Cash and cash equivalents	1,614,892	4,413,554

18 SHARE CAPITAL

	2025		2024	
	Number of Shares	HK\$'000	Number of shares	HK\$'000
Issued and fully paid:				
At 1 January and 31 December	1,465,971,429	146,597	1,465,971,429	146,597

18 SHARE CAPITAL (Continued)

Share options

On 9 April 2020, a share option incentive scheme (the “Share Option Incentive Scheme”) was adopted at the special general meeting of the Company. The purpose of the Share Option Incentive Scheme is to, inter alia, attract, retain and incentivise senior management and key personnel of the Company, promote the realisation of the long-term strategic targets of the Company, and serve as the driving force for the long-term development of the Company.

Particulars and movements of the share options granted by the Company during the year are as follows:

Year ended 31 December 2025								
Number of share options								
Date of grant	Exercisable year	Exercise price	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Outstanding as at 31 December 2025
28 April 2020	Note (a)	HK\$2.26	6,663,300	—	—	—	—	6,663,300
6 October 2020	Note (b)	HK\$2.184	701,400	—	—	—	—	701,400
7 April 2021	Note (c)	HK\$2.72	913,790	—	—	(456,210)	—	457,580
			8,278,490	—	—	(456,210)	—	7,822,280

Notes:

- (a) On 28 April 2020, the Company granted an aggregate of 23,830,000 share options at an exercise price of HK\$2.26 per share to 71 eligible directors of the Company and employees of the Group to subscribe for a total of 23,830,000 shares of HK\$0.10 each in the capital of the Company under the Share Option Incentive Scheme.
- (b) On 6 October 2020, the Company granted an aggregate of 2,460,000 share options at an exercise price of HK\$2.184 per share to 8 eligible employees of the Group to subscribe for a total of 2,460,000 shares of HK\$0.10 each in the capital of the Company under the Share Option Incentive Scheme.
- (c) On 7 April 2021, the Company granted an aggregate of 1,370,000 share options at an exercise price of HK\$2.72 per share to 5 eligible employees of the Group to subscribe for a total of 1,370,000 shares of HK\$0.10 each in the capital of the Company under the Share Option Incentive Scheme.

18 SHARE CAPITAL (Continued)

Share options (Continued)

Under the Share Option Incentive Scheme, the exercises of the share options of three batches are subject to two-year, three-year and four-year vesting periods respectively during which participant is not allowed to exercise any share option granted. After the expiration of each of the vesting periods, the participant may exercise the share options in three batches commencing from the third, fourth and fifth year after the relevant dates of grant.

The fair values of the share options granted are estimated based on the Binomial option pricing model, and such fair values and significant inputs in the model are as follows:

	Fair value of share options (HK\$)	Share price at date of grant (HK\$)	Exercise price (HK\$)	Standard deviation of expected share price return	Expected life of share options	Expected dividend payout ratio	Risk-free interest rate
Share options granted on 28 April 2020	4,372,286	2.26	2.26	21.0%–23.2%	3–6 years	5.5%	0.38%–0.41%
Share options granted on 6 October 2020	472,891	2.18	2.184	22.3%–24.2%	3–6 years	5.5%	0.19%–0.28%
Share options granted on 7 April 2021	298,722	2.72	2.72	22.5%–24.6%	3–6 years	6.65%	0.34%–0.89%

Expected volatility measured at the standard deviation of expected share price is based on the historical share price movement of the Company prior to the date of the grant.

There was no employee share options benefit expenses recognised during the year (2024: Nil).

As at 31 December 2025, 7,822,280 share options of the Company were outstanding (2024: 8,278,490), of which 7,822,280 outstanding share options were vested (2024: 7,820,910). However, the conditions of exercise of the particular batch of the share options were not fulfilled, no outstanding share options were exercisable. The Company has no legal or constructive obligation to repurchase or settle the share options in cash.

During the year, no share option was exercised or cancelled (2024: Nil), whereas 456,210 share options (2024: 7,798,860) were lapsed under the Share Option Incentive Scheme.

19 RESERVES

	Share Premium HK\$'000	Statutory reserves (note (b)) HK\$'000	Contributed surplus (note (c)) HK\$'000	Exchange reserve HK\$'000	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2025	13,958	186,801	676,218	(107,063)	34,942	(248,164)	7,169,297	7,725,989
Transfer to statutory reserves (note (b))	—	14,631	—	—	—	—	(14,631)	—
Share of currency translation differences of joint ventures (note 10)	—	—	—	20,774	—	—	—	20,774
Share of statutory reserves, net of tax, of:								
— subsidiaries	—	2,459	—	—	—	—	—	2,459
— a joint ventures (note 10)	—	321	—	—	—	—	—	321
— an associate (note 11)	—	456	—	—	—	—	—	456
Currency differences on translation of :								
— subsidiaries	—	—	—	26,235	—	—	—	26,235
— joint ventures (note 10)	—	—	—	3,578	—	—	—	3,578
— associates (note 11)	—	—	—	5,237	—	—	—	5,237
Realised upon dissolution of a subsidiary	—	(45,025)	—	—	—	—	45,025	—
Fair value gains on financial assets at FVOCI, net	—	—	—	—	—	37,950	—	37,950
Profit attributable to equity holders of the Company (note (a))	—	—	—	—	—	—	771,064	771,064
Dividends paid	—	—	—	—	—	—	(798,955)	(798,955)
Balance at 31 December 2025	13,958	159,643	676,218	(51,239)	34,942	(210,214)	7,171,800	7,795,108
Representing:								
Reserves	13,958	159,643	676,218	(51,239)	34,942	(210,214)	6,746,669	7,369,977
2025 proposed final and special dividends	—	—	—	—	—	—	425,131	425,131
	13,958	159,643	676,218	(51,239)	34,942	(210,214)	7,171,800	7,795,108

19 RESERVES (Continued)

	Share Premium HK\$'000	Statutory reserves (note (b)) HK\$'000	Contributed surplus (note (c)) HK\$'000	Exchange reserve HK\$'000	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2024	13,958	174,093	676,218	(52,773)	34,942	(267,987)	7,114,407	7,692,858
Transfer to statutory reserves (note (b))	—	9,294	—	—	—	—	(9,294)	—
Share of currency translation differences of joint ventures (note 10)	—	—	—	(11,519)	—	—	—	(11,519)
Share of statutory reserves, net of tax, of:								
— subsidiaries	—	2,335	—	—	—	—	—	2,335
— a joint ventures (note 10)	—	618	—	—	—	—	—	618
— an associate (note 11)	—	461	—	—	—	—	—	461
Currency differences on translation of :								
— subsidiaries	—	—	—	(36,342)	—	—	—	(36,342)
— joint ventures (note 10)	—	—	—	(2,839)	—	—	—	(2,839)
— associates (note 11)	—	—	—	(3,590)	—	—	—	(3,590)
Fair value gains on financial assets at FVOCI, net	—	—	—	—	—	19,823	—	19,823
Profit attributable to equity holders of the Company (note (a))	—	—	—	—	—	—	709,211	709,211
Dividends paid	—	—	—	—	—	—	(645,027)	(645,027)
Balance at 31 December 2024	13,958	186,801	676,218	(107,063)	34,942	(248,164)	7,169,297	7,725,989
Representing:								
Reserves	13,958	186,801	676,218	(107,063)	34,942	(248,164)	6,854,113	7,410,805
2024 proposed final dividend	—	—	—	—	—	—	315,184	315,184
	13,958	186,801	676,218	(107,063)	34,942	(248,164)	7,169,297	7,725,989

Notes:

- (a) Profit attributable to equity holders of the Company of HK\$771,064,000 (2024: HK\$709,211,000) includes net profits of HK\$355,240,000 (2024: HK\$303,111,000) attributable to joint ventures and net profit of HK\$12,883,000 (2024: HK\$16,670,000) attributable to associates.
- (b) Statutory reserves represent the PRC statutory reserves of certain subsidiaries, joint ventures and associates.
- (c) In 2004, part of the amount standing to the credit of the share premium account of the Company was offset against the entire accumulated losses as at 31 December 2003 of HK\$1,680,335,000 and the remaining credit of the share premium account of HK\$676,218,000 was transferred to contributed surplus.

20 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Trade payables		
— third parties	364,685	419,697
— fellow subsidiaries (note (b))	94,600	69,618
— related companies (note (b))	520	—
— joint ventures (note (b))	2,584	1,452
— non-controlling interests (note (b))	—	4,069
	462,389	494,836
Bills payable		
— third parties	39,715	22,284
Other payables		
— third parties	225,347	241,834
— fellow subsidiaries (note (b))	29,217	18,351
— a joint venture (note (b))	8,401	8,380
— non-controlling interests (note (b))	844	—
Accrued liabilities	10,379	10,890
Amounts due to immediate holding company (note (b))	4,712	10,797
Amounts due to a fellow subsidiary (note (b))	1,273	—
	782,277	807,372
Contract liabilities — sales of goods and provision of services (note (d))		
— third parties	92,883	88,742
— fellow subsidiaries (note (b))	250,698	93,741
— related companies (note (b))	1,037	20,820
	344,618	203,303
	1,126,895	1,010,675

20 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

Notes:

- (a) As at 31 December, the ageing analysis of trade payables based on invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
Current–90 days	359,695	423,110
91 days–180 days	46,084	40,441
Over 180 days	56,610	31,285
	462,389	494,836

- (b) Balances with immediate holding company, fellow subsidiaries, related companies, joint ventures and non-controlling interests are unsecured, interest-free and have no fixed terms of repayment except for the trade-related balances and bills payable, which are repayable according to the respective credit terms.

- (c) The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Renminbi	469,859	451,957
Hong Kong dollars	39,394	80,188
United States dollars	242,908	256,718
Others	30,116	18,509
	782,277	807,372

- (d) Revenue recognised in the current reporting period related to brought-forward contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	201,715	211,324

21 OTHER INCOME AND GAINS/(LOSSES) — NET

	2025 HK\$'000	2024 HK\$'000
Other income/(expenses):		
— Rental income	3,187	3,024
— Direct operating expenses for generating rental income	(60)	(73)
— Dividend income from financial assets at FVOCI	5,861	7,272
Other income — net	8,988	10,223
Other gains/(losses):		
— Net gains on disposal of property, plant and equipment	645	3,042
— Net gains on dissolution of a subsidiary (note)	15,185	—
— Fair value losses on investment properties (note 9)	(3,227)	(7,359)
— (Provision)/reversal of provision for impairment of trade receivables, net (note 16(b))	(7,634)	28,649
— Provision for impairment of other receivables, net	(69)	(3,637)
— Reversal of provision/(provision) for impairment of inventories, net	316	(9,791)
— Net exchange gains/(losses)	12,683	(42,122)
— Subsidy income	10,451	2,850
— Others	1,924	3,202
Other gains/(losses) — net	30,274	(25,166)
Other income and gains/(losses) — net	39,262	(14,943)

Note:

COSCO Kansai Paint & Chemicals (Tianjin) Co., Ltd. was dissolved on 22 December 2025.

22 SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

	2025 HK\$'000	2024 HK\$'000
Selling expenses	184,214	187,004
Depreciation of property, plant and equipment (note (a))	9,618	3,025
Amortisation of intangible assets (note 6)	11,869	11,686
Depreciation of right-of-use assets (note (b))	5,597	6,691
Expenses related to short-term leases	38,751	33,582
Employee benefit expenses included in administrative expenses	387,734	383,252
Auditors' remuneration (note (c))	5,006	5,441
Others	107,375	102,181
	750,164	732,862

Notes:

(a) Depreciation of property, plant and equipment is analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Charge for the year (note 7)	23,793	20,234
Charged to cost of sales	(10,856)	(13,657)
Charged to selling expenses	(338)	(986)
Capitalised in inventories	(2,981)	(2,566)
	9,618	3,025

(b) Depreciation of right-of-use assets is analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Charge for the year (note 8)	5,717	7,158
Charged to cost of sales	(57)	(293)
Charged to selling expenses	(63)	(174)
	5,597	6,691

(c) Included in the above auditors' remuneration, HK\$3,558,000 (2024: HK\$2,700,000) is paid or payable to the Company's auditor.

23 EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses, which were included in cost of sales, selling, administrative and general expenses, are as follows:

	2025 HK\$'000	2024 HK\$'000
Wages, salaries and other short-term benefits, including directors' emoluments (note 24(a))	486,930	475,425
Retirement benefits costs — defined contribution plans (note)	35,347	32,045
Termination benefits	7,161	14,800
	529,438	522,270
Included in:	2025 HK\$'000	2024 HK\$'000
Cost of sales	46,046	44,984
Selling, administrative and general expenses	483,392	477,286
	529,438	522,270

Note:

There were no forfeited contributions (2024: Nil) utilised during the year and no forfeited contributions were available at the year-end to reduce future contributions (2024: Nil). There were no contributions (2024: Nil) payable to the funds at the year-end.

23 EMPLOYEE BENEFIT EXPENSES (Continued)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2024: one) director whose emoluments are reflected in the note 24(a). The emoluments of the remaining four (2024: four) individuals during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Basic salaries, allowances and benefits-in-kind	6,136	8,994
Discretionary bonuses	2,128	—
Retirement benefits costs — defined contribution plan	36	1,253
	8,300	10,247

The emoluments of the individuals fell within the following bands:

Emolument band	Number of individuals	
	2025	2024
HK\$1,500,001 — HK\$2,000,000	1	—
HK\$2,000,001 — HK\$2,500,000	3	1
HK\$2,500,001 — HK\$3,000,000	—	3

(b) Emoluments of senior management

Other than the emoluments of directors disclosed in note 24(a), the emoluments of senior management fell within the following bands:

Emolument band	Number of individuals	
	2025	2024
Below HK\$1,000,000	1	1
HK\$1,000,001 — HK\$1,500,000	—	—
HK\$1,500,001 — HK\$2,000,000	1	—
HK\$2,000,001 — HK\$2,500,000	—	1

24 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Executive directors were also key management personnel of the Company. Details of the emoluments of directors of the Company for the year ended 31 December 2025 are as follows.

Name of directors	Fees HK\$'000	Basic salaries, allowances and benefits-in-kind HK\$'000	Total HK\$'000
<i>Executive Directors:</i>			
Mr. Zhu Changyu	—	2,994	2,994
Mr. Wang Yong (appointed on 24 January 2025)	—	—	—
Ms. Meng Xin (resigned on 24 January 2025)	—	—	—
<i>Non-executive Directors:</i>			
Mr. Ma Xianghui	—	—	—
Ms. Zhang Xueyan (appointed on 24 January 2025)	—	—	—
<i>Independent Non-executive Directors:</i>			
Mr. Tsui Yiu Wa, Alec	320	—	320
Mr. Jiang, Simon X.	320	—	320
Mr. Kwong Che Keung, Gordon	320	—	320
	960	2,994	3,954

Details of the emoluments of directors who were also the key management personnel of the Company for the year ended 31 December 2024 are as follows:

Name of directors	Fees HK\$'000	Basic salaries, allowances and benefits-in-kind HK\$'000	Total HK\$'000
<i>Executive Directors:</i>			
Mr. Zhu Changyu	—	3,510	3,510
Ms. Meng Xin (resigned on 24 January 2025)	—	—	—
<i>Non-executive Directors:</i>			
Mr. Ma Xianghui (appointed on 26 June 2024)	—	—	—
Mr. Chen Dong (retired on 31 May 2024)	—	—	—
<i>Independent Non-executive Directors:</i>			
Mr. Tsui Yiu Wa, Alec	320	—	320
Mr. Jiang, Simon X.	320	—	320
Mr. Kwong Che Keung, Gordon	320	—	320
	960	3,510	4,470

Note:

The above amounts represented the emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking.

There were no contributions to pension schemes for directors or past directors of the Company for the year (2024: Nil).

24 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

25 FINANCE INCOME — NET

	2025 HK\$'000	2024 HK\$'000
Interest income from:		
— a fellow subsidiary (note 34(a))	8,653	12,532
— bank deposits	210,231	261,448
Total finance income	218,884	273,980
Interest expenses on lease liabilities (note 8)	(581)	(725)
Other finance charges	(1,053)	(1,488)
Total finance costs	(1,634)	(2,213)
Finance income — net	217,250	271,767

26 INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year.

The PRC enterprise income tax has been calculated on the estimated assessable profit derived from the Group's operations in the PRC for the year at 15% to 25% (2024: 25%).

Other overseas taxation has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 17% to 35% (2024: 17% to 35%) during the year.

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. However, the enactment or substantial enactment of Pillar Two legislation in additional jurisdictions in which the Group operates does not have a material impact to the Group's overall exposure to Pillar Two income taxes.

26 INCOME TAX EXPENSES (Continued)

	2025 HK\$'000	2024 HK\$'000
Current income tax		
— current year		
— Hong Kong profits tax	25,920	30,890
— PRC enterprise income tax	45,353	25,092
— other overseas taxation	7,847	7,758
— under-provision/(over-provision) in prior years		
— Hong Kong profits tax	164	(673)
— PRC enterprise income tax	(378)	371
— other overseas taxation	—	42
Deferred income tax charge — net (note 14)	3,257	4,125
Income tax expenses	82,163	67,605

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the profits tax rate of Hong Kong where the Company operates and the difference is set out below:

	2025 HK\$'000	2024 HK\$'000
Profit before income tax (excluding share of profits of joint ventures and associates)	505,177	464,101
Calculated at a tax rate of 16.5% (2024: 16.5%)	83,354	76,577
Effect of different tax rates in the PRC and other overseas countries	16,231	13,232
Income not subject to income tax	(42,415)	(42,499)
Expenses not deductible for tax purposes	16,773	18,798
Tax losses not recognised	3,783	13,410
Utilisation of previously unrecognised tax losses	(466)	(9,398)
Over-provision in prior years, net	(214)	(260)
Reversal of temporary differences recognised	—	278
Temporary differences not recognised	(485)	2,086
Withholding tax		
— dividend income	4,455	5,237
— unremitted earnings of subsidiaries, joint ventures and associates	3,309	(5,312)
Land appreciation tax on the PRC investment properties	(603)	(2,959)
Special tax credit	(1,559)	(1,585)
Income tax expenses	82,163	67,605

27 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to equity holders of the Company of HK\$771,064,000 (2024: HK\$709,211,000) and the weighted average number of ordinary shares outstanding during the year of 1,465,971,429 shares (2024: 1,465,971,429 shares).

There were no potential dilutive ordinary shares in existence for both years.

28 DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Interim dividend paid of HK\$0.33 (2024: HK\$0.265) per ordinary share	483,771	388,482
Final dividend proposed of HK\$0.19 (2024: HK\$0.215) per ordinary share	278,534	315,184
Special dividend proposed of HK\$0.10 (2024: nil) per ordinary share	146,597	—
	908,902	703,666

At the board meeting held on 25 March 2026, the directors of the Company proposed a final dividend of HK\$0.19 and a special dividend of HK\$0.10 per ordinary share for the year ended 31 December 2025. These proposed dividends have not been recognised as a liability in the financial statements for the year ended 31 December 2025, but will be reflected as an appropriation of retained profits for the year ending 31 December 2026.

29 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to cash generated from operations

	2025 HK\$'000	2024 HK\$'000
Operating profit	287,927	192,334
Amortisation of intangible assets	11,869	11,686
Depreciation of property, plant and equipment, net of amount capitalised	20,812	17,668
Depreciation of right-of-use assets	5,717	7,158
Net gains on disposal of property, plant and equipment	(645)	(3,042)
Net gains on dissolution of a subsidiary	(15,185)	—
Fair value losses on investment properties	3,227	7,359
Provision/(reversal of provision) for impairment of trade receivables, net	7,634	(28,649)
Provision for impairment of other receivables, net	69	3,637
(Reversal of provision)/provision for impairment of inventories, net	(316)	9,791
Dividend income	(5,861)	(7,272)
Operating profit before working capital changes	315,248	210,670
Increase in inventories	(34,523)	(118,745)
(Increase)/decrease in trade and other receivables	(11,415)	3,561
Decrease/(increase) in amounts due from fellow subsidiaries	1,766	(2,550)
(Decrease)/increase in trade and other payables	(55,815)	101,526
Increase/(decrease) in contract liabilities	141,315	(55,480)
(Decrease)/increase in amounts due to immediate holding company	(6,085)	1,519
Increase/(decrease) in amounts due to fellow subsidiaries	1,273	(805)
Cash generated from operations	351,764	139,696

29 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) The reconciliation of liabilities arising from financing activities is as follows:

	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2024	17,611	17,611
Currency translation differences	(351)	(351)
Principal elements of lease payments	(4,719)	(4,719)
Acquisition of a subsidiary (note 32)	1,752	1,752
Additions of lease	1,070	1,070
Termination of lease	(485)	(485)
Finance cost on lease liabilities	725	725
At 31 December 2024	15,603	15,603
Currency translation differences	346	346
Principal elements of lease payments	(4,515)	(4,515)
Additions of lease	558	558
Termination of lease	(58)	(58)
Finance cost on lease liabilities	581	581
At 31 December 2025	12,515	12,515

30 CAPITAL COMMITMENTS

(a) The Group had capital commitments for capital expenditure as follows:

	2025 HK\$'000	2024 HK\$'000
Contracted but not provided	15,847	6,215

Note: As at 31 December 2025, the Group had contractual commitments in respect of capital injection of HK\$310,250,000 to an associate.

(b) The Group's share of capital commitments of a joint venture in respect of fixed assets investments is as follows:

	2025 HK\$'000	2024 HK\$'000
Contracted but not provided	4,387	4,292

31 LEASE COMMITMENTS

- (a) The aggregate future minimum lease payments under non-cancellable short-term leases in respect of land and buildings and equipment are HK\$24,848,000 (2024: HK\$25,633,000).
- (b) The aggregate future minimum rental receivables under non-cancellable operating leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	2,582	1,722
Between 1 and 2 years	1,293	843
Between 2 and 3 years	1,006	52
Between 3 and 4 years	834	—
Between 4 and 5 years	209	—
	5,924	2,617

The Group's operating leases were for terms ranging from one to five years.

32 BUSINESS COMBINATION

On 10 November 2023, the Company entered into a share transfer agreement with COSCO SHIPPING Development (Hong Kong) Co., Limited in relation to the acquisition of entire 100% equity interest of Helen Insurance Brokers at a consideration of HK\$270,980,600 subject to the fulfilment of conditions as stated in the share transfer agreement. Helen Insurance Brokers is a company incorporated in Hong Kong with limited liability and its principal business is provision of marine insurance brokerage services. On 15 January 2024, the conditions as stated in the share transfer agreement were satisfied, the acquisition was completed and Helen Insurance Brokers has become a directly wholly-owned subsidiary of the Company.

Consideration paid for, and goodwill arising from, the acquisition are as follows:

	HK\$'000
Purchase consideration paid in cash	270,980
Fair values of identifiable net assets acquired	(174,628)
Goodwill (note 6)	96,352

32 BUSINESS COMBINATION (Continued)

Recognised amounts of identifiable assets acquired and liabilities assumed are as follows:

	Fair Value HK\$'000
Intangible assets (note 6)	164,722
Property, plant and equipment (note 7)	142
Right-of-use assets (note 8)	1,603
Trade and other receivables	23,621
Current deposits and cash and cash equivalents	108,538
Trade and other payables	(94,168)
Current income tax liabilities	(1,029)
Lease liabilities (note 29(b))	(1,752)
Deferred income tax liabilities (note 14)	(27,049)
Total identifiable net assets	<u>174,628</u>

Net outflow of cash and cash equivalents on acquisition:

	HK\$'000
Purchase consideration paid in cash	270,980
Cash and cash equivalents acquired	<u>(108,538)</u>
Net cash used in acquisition of a subsidiary	<u>162,442</u>

Notes:

- (a) The acquired business contributed revenues of HK\$12,275,000 and net profit of HK\$807,000 to the group for the period from 15 January 2024 to 31 December 2024. If the acquisition had occurred on 1 January 2024, consolidated pro-forma revenue and profit for the year would have been HK\$3,629,489,000 and HK\$718,120,000 respectively. These amounts have been calculated using the subsidiary's results and adjusting them for the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets had been applied from 1 January 2024, together with the consequential tax effects.
- (b) Acquisition-related costs were not material and had been expensed.
- (c) For the purpose of related party transactions disclosure, total consideration paid to COSCO SHIPPING Development (Hong Kong) Co., Limited was HK\$270,980,600.
- (d) The fair value of the acquired customer relationships amounted to HK\$163,741,000. The Group recognised related deferred income tax liabilities amounting to HK\$27,017,000.
- (e) Goodwill is attributable to cost synergies expected to arise as a result of the acquisition of Helen Insurance Brokers. Goodwill has been allocated to the Insurance brokerage segment. Goodwill is not tax deductible.

33 EVENT AFTER THE BALANCE SHEET DATE

On 5 January 2026, the Company, a connected person of the Company — COSCO SHIPPING Technology Co., Ltd. ("COSCO SHIPPING Technology"), and a subsidiary of the Company — COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. ("COSCO SHIPPING Smart-Sailing") entered into a capital increase agreement, pursuant to which the Company and COSCO SHIPPING Technology shall make additional capital contribution to COSCO SHIPPING Smart-Sailing (the "Capital Increase") in the following manner:

- (a) the Company shall transfer all its 100% equity interests in a wholly-owned subsidiary of the Company — Yuantong Marine Service Co. Limited ("Yuantong") to COSCO SHIPPING Smart-Sailing; and
- (b) COSCO SHIPPING Technology shall transfer the SMART SAILING Platform (being technological products designed and developed by COSCO SHIPPING Technology) and make a cash contribution of RMB213,010,416 to COSCO SHIPPING Smart-Sailing.

Upon completion of the Capital Increase:

- (a) the Company's equity interests in COSCO SHIPPING Smart-Sailing will increase from 51% to 80% whereas COSCO SHIPPING Technology's equity interests in COSCO SHIPPING Smart-Sailing will decrease from 49% to 20%;
- (b) COSCO SHIPPING Smart-Sailing will remain to be a direct non-wholly owned subsidiary of the Company;
- (c) Yuantong will become a direct wholly-owned subsidiary of COSCO SHIPPING Smart-Sailing; and;
- (d) while Yuantong will remain to be a subsidiary of the Company, it will become an indirect non-wholly owned subsidiary of the Company. Its financial results will continue to be consolidated into the results of the Group.

A special general meeting was held on 12 March 2026 and the resolution of the relevant capital increase agreement and the transactions contemplated thereunder was approved by the affirmative votes of the independent shareholders of the Company.

34 MATERIAL RELATED PARTY TRANSACTIONS

The Group is controlled by COSCO SHIPPING (Hong Kong) Co., Limited ("COSCO SHIPPING (Hong Kong)"), a company incorporated in Hong Kong, which owns 71.70% of the Company's shares as at 31 December 2025. The remaining 28.30% of the Company's shares is widely held. The ultimate holding company of COSCO SHIPPING (Hong Kong) is COSCO SHIPPING.

COSCO SHIPPING itself is a state-owned enterprise established and controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with HKAS 24 (Revised), government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include COSCO SHIPPING, its subsidiaries (other than the Group) and associates, other state-owned enterprises and their subsidiaries directly or indirectly controlled by the PRC government, and other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and COSCO SHIPPING as well as their close family members.

For the years 2025 and 2024, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government mainly include most of its bank deposits and the corresponding interest income and part of sales and purchases of goods and services. The price and other terms of such transactions are set out in the agreements governing these transactions or as mutually agreed.

34 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Apart from the above-mentioned transactions with the government-related entities and the related party information shown elsewhere in the financial statements, the following is a summary of the significant related party transactions carried out in the normal course of the Group's business during the year:

(a) Sale of goods and provision of services to holding companies, fellow subsidiaries, related companies and other related parties

	Note	2025 HK\$'000	2024 HK\$'000
Sale of coatings to:			
— fellow subsidiaries	(i, ix)	927,191	482,681
— related companies	(i, ix)	4,358	3,598
— non-controlling interests	(i)	3,843	4,392
— a joint venture	(i)	17,230	20,039
Sale of marine equipment and spare parts to:			
— fellow subsidiaries	(ii, ix)	1,229,880	1,391,229
— related companies	(ii, ix)	77,016	49,860
— joint ventures	(ii, ix)	1,783	5,561
— joint ventures	(ii)	—	651
— associates	(ii, ix)	80	175
Commission income in relation to the provision of ship trading agency services to:			
— fellow subsidiaries	(iii, ix)	60,272	53,096
— joint ventures	(iii)	1,769	—
— a joint venture	(iii, ix)	—	4,975
Commission income in relation to the provision of insurance brokerage services to:			
— fellow subsidiaries	(iv, ix)	153,312	123,469
— related companies	(iv, ix)	2,082	3,715
— holding companies	(iv, ix)	750	950
— a joint venture	(iv, ix)	—	2
Sale of ship supplies and other products to:			
— fellow subsidiaries	(v, ix)	11	48
— an associate	(v)	1,597	—
Service fee income in relation to the provision of green, low-carbon and digital intelligent solutions to:			
— fellow subsidiaries	(vi, ix)	2,191	371
— an associate	(vi)	11	—
— an associate	(vi, ix)	—	10
Interest income from a fellow subsidiary (note 25)	(vii, ix)	8,653	12,532
Management fee income in relation to the provision of management services to:			
— fellow subsidiaries	(viii, ix)	25,793	24,435
— a holding company	(viii, ix)	78,510	70,135

34 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) Sale of goods and provision of services to holding companies, fellow subsidiaries, related companies and other related parties (Continued)

Notes:

- (i) Sale of coatings to fellow subsidiaries, related companies, non-controlling interests and a joint venture was conducted on terms as set out in the agreements governing these transactions.
- (ii) Sale of marine equipment and spare parts to fellow subsidiaries, related companies, joint ventures and associates was conducted on terms as set out in the agreements governing these transactions.
- (iii) Certain subsidiaries of the Company acted as agent of fellow subsidiaries and joint ventures relating to (a) sale and purchase of new and second hand vessels; (b) bareboat charter businesses; and (c) sale and purchase of marine equipment for new shipbuilding projects. According to the terms of the relevant engagement/commission agreements, the Group received commission income from vendors, ship-owners and equipment makers with respect to the transactions mentioned above. The commissions were charged based on terms as set out in the agreements governing these transactions.
- (iv) Commission income in relation to the provision of insurance brokerage services to fellow subsidiaries, related companies, holding companies and a joint venture was calculated on terms as set out in the agreements governing these transactions.
- (v) Sale of ship supplies and other products to fellow subsidiaries and an associate was conducted on terms as set out in the agreements governing these transactions.
- (vi) Service fee income in relation to the provision of green, low-carbon and digital intelligent solutions to fellow subsidiaries and associates was conducted on terms as set out in the agreements governing these transactions.
- (vii) Interest income was received from cash deposits placed with a fellow subsidiary and was calculated at prevailing market rates.
- (viii) Management fee income is derived from provision of management services to fellow subsidiaries and a holding company and was conducted on terms as set out in the agreements governing these transactions.
- (ix) The transactions represent continuing connected transactions which have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

34 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Purchase of goods and services from fellow subsidiaries, related companies and other related parties

	Note	2025 HK\$'000	2024 HK\$'000
Expenses related to short-term leases to fellow subsidiaries in relation to lease contracts for land and buildings	(i, ix)	38,618	31,270
Commission expenses in relation to the sale of coatings paid to fellow subsidiaries	(ii, ix)	23,684	12,154
Commission expenses in relation to the sale of marine equipment paid to a related company	(iii, ix)	3,251	5,257
Purchase of raw materials from:			
— a fellow subsidiary	(iv, ix)	296	27
— non-controlling interests	(iv)	—	2,656
— a joint venture	(iv)	14,711	25,936
Purchase of marine spare parts from a fellow subsidiary	(v, ix)	10,133	9,825
Transportation costs paid to fellow subsidiaries	(vi, ix)	3,135	3,232
Technology usage fee paid to non-controlling interests	(vii)	1,700	1,746
Service fees paid to fellow subsidiaries	(viii, ix)	24,820	22,688

Notes:

- (i) During the year, the Group leased certain office premises and other properties in Hong Kong, the PRC and other overseas countries from fellow subsidiaries on terms as set out in the agreements governing these transactions.
- (ii) Commission paid to fellow subsidiaries was based on a certain percentage of sales amounts in accordance with terms as set out in the agreements governing these transactions.
- (iii) A related company was appointed as agent to provide agency services in relation to the sale of marine equipment in the PRC. Commission paid was based on a certain percentage of sales procured by the related company.
- (iv) Purchase of raw materials from a fellow subsidiary, non-controlling interests and a joint venture was conducted on terms as set out in the agreements governing these transactions.
- (v) Purchase of marine spare parts from a fellow subsidiary was conducted on terms as set out in the agreements governing these transactions.
- (vi) Transportation costs paid to fellow subsidiaries were based on terms as set out in the agreements governing these transactions.
- (vii) Technology usage fee paid to non-controlling interests was made based on a certain percentage of the net sales amount in accordance with terms as set out in the agreements governing these transactions.
- (viii) Service fees were paid to fellow subsidiaries in relation to their provision of administrative services, manpower resources, technical support and other ancillary support to the Group and sharing of office premises by the Group and were conducted on terms as set out in the agreements governing these transactions.
- (ix) The transactions represent continuing connected transactions which have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

	Note	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		907	1,435
Investments in subsidiaries		1,417,590	1,414,346
Investments in joint ventures		249,248	249,248
Investments in associates		78,316	5,944
Non-current bank deposits		1,023,753	—
		2,769,814	1,670,973
Current assets			
Amounts due from subsidiaries		525,983	535,518
Other receivables		54,724	58,666
Current deposits and cash and cash equivalents		3,689,927	4,748,210
		4,270,634	5,342,394
Total assets		7,040,448	7,013,367
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		146,597	146,597
Other reserves	(a)	690,176	690,176
Retained profits	(a)	5,676,135	5,746,365
Total equity		6,512,908	6,583,138
LIABILITIES			
Current liabilities			
Amounts due to immediate holding company		4,712	10,797
Amounts due to subsidiaries		490,574	368,382
Other payables		32,254	51,050
Total liabilities		527,540	430,229
Total equity and liabilities		7,040,448	7,013,367

The statement of financial position of the Company was approved by the Board of Directors on 25 March 2026 and was signed on its behalf.

Zhu Changyu
Director

Wang Yong
Director

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Statement of financial position of the Company (Continued)

Note:

(a) Reserve movements of the Company

	Other reserves HK\$'000	Retained profits HK\$'000
At 1 January 2024	690,176	5,838,436
Profit for the year	—	552,956
Dividends paid	—	(645,027)
At 31 December 2024	690,176	5,746,365
Profit for the year	—	728,725
Dividends paid	—	(798,955)
At 31 December 2025	690,176	5,676,135

36 PRINCIPAL SUBSIDIARIES

Particulars of principal subsidiaries of the Group as at 31 December 2025 are as follows:

Name	Place of incorporation/ operation and type of legal entity	Issued share capital/ registered capital	Principal activities	Attributable equity interest held	
				2025	2024
Beijing COSCO SHIPPING Ship Trading Co., Ltd. [#]	PRC, wholly foreign-owned enterprise	US\$1,300,000	Provision of agency services in ship trading business	100%	100%
COSCO Kansai Paint & Chemicals (Shanghai) Co., Ltd. [#]	PRC, Sino-foreign equity joint venture enterprise	US\$7,000,000	Sale of coatings	63.07%	63.07%
COSCO Kansai Paint & Chemicals (Tianjin) Co., Ltd. ^{**}	PRC, Sino-foreign equity joint venture enterprise	N/A	Production and sale of coatings	—	63.07%
COSCO Kansai Paint & Chemicals (Zhuhai) Co., Ltd. [#]	PRC, foreign equity joint venture enterprise	US\$10,000,000	Production and sale of coatings	64.71%	64.71%
COSCO Kansai Paint (Shanghai) Co., Ltd. [#]	PRC, foreign equity joint venture enterprise	US\$25,600,000	Production and sale of coatings	63.07%	63.07%
COSCO SHIPPING (Hong Kong) Insurance Brokers Limited [#]	Hong Kong, limited liability company	HK\$65,000,000 ordinary share capital	Provision of insurance brokerages and related services	100%	100%
COSCO Shipping (Hong Kong) Ship Trading Company Limited [#]	Hong Kong, limited liability company	HK\$500,000 ordinary share capital	Provision of agency services in ship trading business	100%	100%
Graceful Nice Limited [#]	British Virgin Islands, limited liability company	1 ordinary share of US\$1	Investment holding	100%	100%
Helen Insurance Brokers Limited [#]	Hong Kong, limited liability company	HK\$3,000,000 ordinary share capital	Provision of insurance brokerages and related services	100%	100%
Raycle Match Development Ltd. [#]	British Virgin Islands, limited liability company	1 ordinary share of US\$1	Investment holding	100%	100%
Yuantong Marine Service Co. Limited [#]	Hong Kong, limited liability company	HK\$208,352,000 ordinary share capital	Trading of marine equipment and spare parts	100%	100%
COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. (formerly known as COSCO SHIPPING Green Digital Intelligence Ship Services Co., Ltd.) [#]	PRC, Sino-foreign equity joint venture enterprise	RMB50,000,000	Providing green, low-carbon and digital intelligent solutions for the full-life cycle of the shipping industry	51%	51%
COSCO SHIPPING International Trading Company Limited	PRC, wholly foreign-owned enterprise	RMB180,633,044.22	Trading of asphalt, ship equipment and accessories	100%	100%
Hanyuan Technical Service Center GmbH	Germany, limited liability company	EUR102,259	Trading of marine equipment and spare parts	100%	100%

36 PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation and type of legal entity	Issued share capital/ registered capital	Principal activities	Attributable equity interest held	
				2025	2024
Jingzhou Federal Reserve Logistics Trading Co., Ltd.	PRC, limited liability company	RMB500,000	Storage and handling of asphalt and processing of modified asphalt	100%	100%
Shenzhen COSCO Insurance Brokers Limited	PRC, Sino-foreign equity joint venture enterprise	RMB50,000,000	Provision of professional services of insurance brokerages	55%	55%
Shin Chung Lin Corporation	Japan, limited liability company	1,600 ordinary shares of JPY237,500 each	Trading of marine equipment and spare parts	100%	100%
Sinfeng Marine Services Pte. Ltd.	Singapore, limited liability company	7,000,000 ordinary shares of US\$1 each	Trading of marine fuel and other related products	100%	100%
Xing Yuan (Singapore) Pte. Ltd.	Singapore, limited liability company	100,000 ordinary shares of S\$1 each	Trading of marine equipment and spare parts	100%	100%
Yuan Hua Technical & Supply Corporation	United States of America, limited liability company	US\$400,000	Materials and spare parts supply and service support for vessels	100%	100%
Yuantong Marine Trade (Shanghai) Co., Ltd.	PRC, wholly foreign-owned enterprise	US\$3,200,000	Trading of marine equipment and spare parts	100%	100%

Shares held directly by the Company.

* The subsidiary (with issued share capital of USD5,000,000) was dissolved on 22 December 2025

37 JOINT VENTURES AND ASSOCIATES

Particulars of joint ventures and associates of the Group as at 31 December 2025 are as follows:

Name	Place of incorporation/ operation and type of legal entity	Issued share capital/ registered capital	Principal activities	Attributable equity interest held	
				2025	2024
(a) Joint ventures					
COSCO SHIPPING (Tianjin) Ship Technology Services Co., Ltd. [#]	PRC, Sino-foreign equity joint venture enterprise	RMB1,500,000	Vessel and equipment trade consultant	49%	49%
Jotun COSCO Marine Coatings (HK) Limited [#]	Hong Kong/PRC, limited liability company	HK\$279,149,562 ordinary share capital	Investment holding and sale of coatings	50%	50%
Nasurfar Biomaterial Technology (Changshu) Co., Ltd. [#]	PRC, Sino-foreign equity joint venture enterprise	RMB182,907,725	Research and development, production and sales of biochemical products	33%	33%
COSCO SHIPPING (Dalian) Electronic Technology Co., Ltd.	PRC, Sino-foreign equity joint venture enterprise	RMB1,000,000	Provision of marine electronic engineering services	40%	40%
Shanghai Ocean Radio Co., Ltd.	PRC, Sino-foreign equity joint venture enterprise	US\$250,000	Trading of marine equipment and provision of repair and maintenance	25%	25%
Tianjin Marine Electronic Co., Ltd.	PRC, Sino-foreign equity joint venture enterprise	US\$200,000	Provision of marine electronic engineering services	25%	25%
(b) Associates					
COSCOSHIP (QINGDAO) CO., LTD. [#]	PRC, Sino-foreign equity joint venture enterprise	RMB3,000,000	Vessel engineering and technical support	20%	20%
COSCO SHIPPING SUPPLY (GUANGZHOU) CO., LTD.	PRC, limited liability company	RMB30,442,100	Supply and storage of related materials of cargo transportation	20%	20%
German Lashing (Nanjing) Co., Ltd.	PRC, Sino-foreign equity joint venture enterprise	US\$663,000	Manufacture, sale and provision of after-sale service of container software and related products	20%	20%
Shanghai JOYFuel Green Energy Co., Ltd. [#]	PRC, Sino-foreign equity joint venture enterprise	RMB197,160,000	Investment platform specializing in renewable fuels including green methanol	35%	35%
Zhejiang Four Brothers Rope Co., Ltd.	PRC, Sino-foreign equity joint venture enterprise	RMB63,076,923.08	Manufacturing of synthetic ropes (for marine and fishing)	48%	48%

[#] Shares held directly by the Company.

List of Major Properties

As at 31 December 2025

Description		Existing use	Approximate area	Lease term	% of interest attributable to the Group
Properties held for own use					
(1)	Economic Zone, Gaolan Port, Zhuhai, the PRC	Industrial	Site area 67,882.00 sq.m.	From 18 April 2006 to 17 April 2056	64.71
(2)	No. 2, Industry Park, Jinshan District, Shanghai, the PRC	Industrial	Site area 61,097.30 sq.m.	From 5 July 2013 to 4 July 2063	63.07
(3)	No. 9 Basement 1, No. 188 Tongzhou Road, Shanghai, the PRC	Carparking	1 car parking space	From 28 June 1998 to 27 June 2068	100
(4)	Room 201, No. 8 Building, No. 188 Tongzhou Road, Shanghai, the PRC	Residential	Gross floor area 228.29 sq.m.	From 28 June 1998 to 27 June 2068	100
Property held for investment					
(1)	19th Floor, Nan Dao Commercial Building, 359–361 Queen's Road Central, Hong Kong	Commercial	Gross floor area 320.51 sq.m.	999 years from 7 February 1852	100
(2)	207 Henderson Road, #01-03/#03-03 Henderson Industrial Park, Singapore 159550	Commercial	Saleable area 782 sq.m.	Freehold	100

Five-Year Financial Summary

CONSOLIDATED INCOME STATEMENT

	For the year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	3,705,731	3,627,126	3,341,729	3,962,539	4,533,549
Operating profit	287,927	192,334	145,871	202,831	277,545
Finance income — net	217,250	271,767	264,884	96,351	40,807
Share of profits of joint ventures	355,240	303,111	237,582	117,529	63,711
Share of profits/(losses) of associates	12,883	16,670	14,426	8,647	(40,889)
Profit before income tax	873,300	783,882	662,763	425,358	341,174
Income tax expenses	(82,163)	(67,605)	(54,157)	(58,461)	(37,568)
Profit for the year	791,137	716,277	608,606	366,897	303,606
Profit attributable to:					
Equity holders of the Company	771,064	709,211	593,673	347,062	288,341
Non-controlling interests	20,073	7,066	14,933	19,835	15,265
	791,137	716,277	608,606	366,897	303,606

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
ASSETS					
Non-current assets					
Intangible assets	349,506	359,764	106,843	108,721	107,664
Property, plant and equipment	196,192	195,902	208,363	221,838	255,817
Right-of-use assets	38,037	42,257	48,155	43,815	41,412
Investment properties	136,207	136,367	145,933	151,305	158,545
Investments in joint ventures	874,368	759,695	668,448	527,896	499,999
Investments in associates	246,565	166,139	159,961	154,716	237,786
Financial assets at fair value through other comprehensive income	122,722	84,772	64,949	53,849	62,621
Deferred income tax assets	29,611	25,131	33,100	40,531	42,810
Non-current bank deposits	1,023,753	—	—	—	—
	3,016,961	1,770,027	1,435,752	1,302,671	1,406,654
Current assets	6,488,822	7,563,543	7,769,477	7,931,822	8,335,570
Total assets	9,505,783	9,333,570	9,205,229	9,234,493	9,742,224
CAPITAL AND RESERVES					
Share capital	146,597	146,597	146,597	148,169	153,296
Reserves	7,795,108	7,725,989	7,692,858	7,654,418	7,907,721
Total shareholders' equity	7,941,705	7,872,586	7,839,455	7,802,587	8,061,017
Non-controlling interests	327,029	336,753	347,944	318,993	333,579
Total equity	8,268,734	8,209,339	8,187,399	8,121,580	8,394,596
LIABILITIES					
Non-current liabilities					
Lease liabilities	7,263	11,808	15,197	6,969	4,738
Deferred income tax liabilities	81,396	77,334	64,035	67,336	63,308
	88,659	89,142	79,232	74,305	68,046
Current liabilities					
Short-term borrowings	—	—	—	—	42,807
Other current liabilities	1,148,390	1,035,089	938,598	1,038,608	1,236,775
	1,148,390	1,035,089	938,598	1,038,608	1,279,582
Total liabilities	1,237,049	1,124,231	1,017,830	1,112,913	1,347,628
Total equity and liabilities	9,505,783	9,333,570	9,205,229	9,234,493	9,742,224

hk.coscoshipping.com



Design And Produced By: EDICO Financial Press Services Limited



中遠海運國際(香港)有限公司

COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

47th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong
香港皇后大道中 183 號中遠大廈 47 樓

電話 Telephone : (852) 2809 7888
傳真 Facsimile : (852) 3568 4426
電郵 E-mail : ir517@coscoshipping.com
網址 Website : hk.coscoshipping.com

